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NEWS SUMMARY

GENERAL

Danish election next month

Danish Prime Minister Poul Schlüter last night called an election for January 10, after his four-party coalition Government's 1984 Finance Bill was defeated by 93 votes to 77 in the Folketing (parliament).

The Government took office 15 months ago after eight years of Social Democratic government.

It was defeated by an alliance of the tax-protest Progress Party, calling for bigger spending cuts, and the Social Democrats, who want to increase government spending.

Mr Schlüter's Conservative Party stands to double its vote to 29.7 per cent in the election, giving it as many seats as a reduced Social Democratic Party, according to an opinion poll published today.

Greece to evacuate PLO

Fierce fighting flared again in the north Lebanese port of Tripoli as evacuation plans for Palestine Liberation Organisation leader Yassir Arafat and his forces were confirmed. A convoy of five Greek ships is to take Mr Arafat and his 4,000 men to Tunisia and North Yemen, possibly tomorrow.

In the Lebanese mountains, Israeli forces evacuated more than 2,200 Christian militiamen and in Beirut, U.S. marines came under fire again. The American battleship New Jersey opended fire in return. Page 3

Arms forum adjourns

The Vienna conference on reducing conventional forces in Central Europe adjourned without a definite date for resumption, as Warsaw Pact spokesmen expressed doubts about whether the talks can continue.

Cruise arrival

U.S. officials confirmed that components of cruise nuclear missile systems, including four missile launchers, have arrived at the Sicilian Nato base near Comiso.

N-sales to China

Japan is to permit sales of nuclear power equipment to China on condition that it is not used for military purposes, a Japanese national newspaper said.

Johannesburg bomb

A bomb explosion wounded three people and damaged an information office of South Africa's Ministry of Foreign Affairs in downtown Johannesburg.

Mitterrand visit

French President François Mitterrand began a three-day visit to Yugoslavia, the first by a French head of state for seven years.

Gibraltar move

Spain ordered that border restrictions with Gibraltar be eased to let residents on both sides pass more freely during the Christmas holiday. Page 2

Census ruling

West Germany's federal constitutional court ruled that the Government is entitled to hold a national census but that the information gathered cannot be passed on to other authorities.

Briefly . . .

Suspected Basque guerrillas shot dead a policeman and wounded another in San Sebastian, Spain.

BUSINESS

IH cuts quarterly loss by 71.4%

INTERNATIONAL HARVESTER, giant U.S. farm equipment and truck group, cut losses in its fourth quarter by 71.4 per cent, from $294m to $84m. The group's 220 creditor banks have approved a refinancing of its $3.5bn debt. Page 20

● STERLING was firmer against the dollar, closing up 55 points at $1.4225 ($1.417). It was also up at DM 3.94 (DM 3.9225), SwFr 3.1475 (SwFr 3.1375), FFr 12.005 (FFr 11.9525) and Y334.5 (Y333.25). Its trade-weighted index was 82 (81.8). In New York it closed at $1.4185. Page 41

● DOLLAR closed in London at a 10-year high of DM 2.769 (DM 2.766), with the Bundesbank active again in the fixing and in the open market. It closed down at SwFr 2.211 (SwFr 2.2115), and Y234.9 (Y234.95), but was up at FFr 8.4425 (FFr 8.4375), touched a record high at BFr 56.41 (BFr 56.26) and closed at a record high at L1676 (L1671.5). Its Bank of England trade weighted index was 130.7 (130.8). In New York it closed at DM 2.765, Y234.70, SwFr 2.2083 and FFR 8.44. Page 41

● LONDON: FT Industrial Ordinary index closed up 1.7 at 752.8. Government securities were virtually unchanged, down 0.04 at 82.26. Report, Page 35; FT Share Information Service, Pages 32-34.

● GOLD was up $0.75 in London to $389.125. In Frankfurt it fell to $388.75 and in Zurich it closed unchanged at $389. In New York, the Comex December settlement price was $380.6 ($388.5). Page 40.

● WALL STREET: Dow Jones industrial average closed 9.86 down at 1,236.79. Report, Page 31; full share listings, Pages 32–34.

● TOKYO: Nikkei Dow index closed up 61.26 at 9462.43. Stock Exchange index rose 5.51 to 701.7. Report, Page 31; leading prices, other exchanges, Page 34.

● HANSON TRUST, diversified UK industrial holding company, used its 9.6 per cent stake in London Brick to make a cash offer which values the brick manufacturer at £170m ($241.4m). Lex, Page 20

● ITALTEL, Italian-owned telecommunications equipment maker, announced a reduced loss of L23.4bn ($13.9m) for the first nine months of 1983 compared with L107.5bn for the same period of 1982. Page 21

● DAIMLER-BENZ, West German car manufacturer, estimates a 1 per cent increase to DM 39.3bn ($14.2bn) in group worldwide revenue this year. Page 21

● SWAN BREWERY, part of the Australian business empire of Alan Bond, has raised $135m in the U.S. domestic bond market. Page 21

● THYSSEN STAHL, newly-formed steelmaking unit of West Germany's industrial group, lost DM 208m ($75m) in the first six months since its formation. Page 20

● NORWEGIAN shipping company Osco Product Tankers ordered a 69,000 deadweight ton product tanker at China's Dalian yard at a cost of $25m.

● ELF AQUITAINE, French oil company, claimed to have perfected a way of drilling oil wells horizontally.

● KIEL INSTITUTE for World Economics said real gross national product of Western industrial nations may rise 3 per cent in 1984.

● ALCAN ALUMINIUM of Canada is to proceed to the U.S. Supreme Court with its appeal against California's unitary tax system.

● PORTUGAL ended controls on the cost of a cup of coffee as its parliament agreed a restrictive 1984 budget.

Strasbourg blocks EEC rebates to UK, W. Germany

BY JOHN WYLES IN STRASBOURG

The European Parliament yesterday courted deeper unpopularity with EEC governments by passing a legally doubtful 1984 budget in which payments of 1.2bn European currency units ($984m) to Britain and West Germany are blocked for at least three months.

Against the unified opposition of British MEPs, the rebates, worth Ecu 750m net to the UK and Ecu 211m to West Germany, were frozen until March 31 by a larger-than-expected majority of 268 votes to 73. Hopes that the proposal might not find the 218 votes necessary to pass were destroyed by an influx of more than 100 members who delayed their arrival in Strasbourg until the day of the vote.

British Conservative and Labour MEPs voted against the decision, as did at least three French and four Danish members. Feelings were running so high among the 61 Conservatives that the group voted against the budget as a whole when they had been expected to abstain. The 17 Labour MEPs also voted against the budget after their leader, Mrs Barbara Castle, accused the parliament of being "petty and hypocritical."

Two motions to reject the budget were defeated by 241 votes to 111 and 249 to 62 by MEPs fearful of the public reaction to the parliament creating a financial crisis in the run-up to next June'a European elections.

For its supporters, however, the move seemed to be the only means available for the parliament to put some pressure on member governments to agree by their summit next March the agricultural and budgetary reforms which eluded last week's meeting in Athens.

The British Government's anger was only partly reflected in an official statement saying that the parliament "brings discredit on itself by taking this discriminatory action for the failure of the Community as a whole to reach agreement in Athens."

A spokesman said that the Government believed that the Community's obligation to pay the refund involves London's receipt of the money during the UK's current financial year.

If it fails to arrive in time, the Government would almost certainly deduct it from Britain's budget payments next year. Mr Neil Balfour, the Conservative group'a budget spokesman in the parliament, warned yesterday that "there will be irresistible pressure on the Government to withhold payments if the March 31 deadline is not met."

The parliament's decision is strongly opposed by the Council of Ministers; although France has signalled that it would try to block actual payment of the rebate until a reform package is finally agreed. But the Council's displeasure with the parliament also extends to the

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Editorial comment, Page 18

U.S. set for 4.5% growth forecast

By Stewart Fleming in Washington

THE REAGAN Administration is expected to predict real economic growth of 4.5 per cent in 1984 and a steady 4 per cent growth rate for 1985 to 1989, when it releases its budget proposals for fiscal year 1985 early next year.

This was confirmed yesterday by officials who pointed out that the gross national product (GNP) forecast is essentially unchanged from the budget review released in July of this year. They warned, however, that although these are the predictions which are now being worked with in the process of drawing up next year's budget, the final numbers could still be changed.

The 1984 GNP forecast is rather lower than the consensus forecast among private economists. Blue Chip Economic Indicators, an organisation which surveys private economic predictions, says in its December edition that the consensus forecast for next year has moved up to a 5.4 per cent gain. This reflects the stronger than expected growth of the economy recently. However, many private economists are predicting slower growth in later years.

But by sticking to its earlier predictions, the Administration will be able to forecast lower future budget deficits than would otherwise be the case. Some officials are also suggesting that the Administration will take a relatively optimistic view of the longer term inflationary outlook in its budget forecasts, a judgment which would also tend to reduce the size of prospective budget deficits.

While the immediate domestic economic outlook seems fair for President Reagan, as the Republican Administration prepares for next year's presidential election, there were renewed warnings yesterday about the mounting problems in the international sphere. The Commerce Department disclosed yesterday that the U.S. registered a record $12bn current account deficit in the third quarter largely as a result of the increase from $14.7bn to $18.2bn in the third quarter's trade deficit. Service income rose $1.7bn to $3.3bn, which was not enough to offset the soaring deficit on trade.

Mr Malcolm Baldrige, the Commerce Department Secretary, warned that for the year as a whole the current account deficit would rise to almost $40bn

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Confusion on Argentine debt payments plan

BY PETER MONTAGNON IN LONDON AND JIMMY BURNS IN BUENOS AIRES

ARGENTINA threw its commercial bank creditors into total confusion yesterday first by announcing and then withdrawing a plan to freeze all payments including interest on its foreign debt until mid-1984.

The initial announcement came as both a shock and a surprise to senior bankers because the country's new central bank governor, Sr Enrique Vazquez, confirmed that the plan would have included a suspension of interest payments. Payment of interest throughout a rescheduling is traditionally required by banks in order to keep the loans from having to be written off in their balance sheets.

Late last night, however, Sr Bernardo Grinspun, Finance Minister, denied that there was a plan to suspend payments. "At no time have I talked about a deferment of payments," he said.

He added that he had told bank creditors that Argentina would probably need about six months to negotiate a rescheduling of some $14bn in principal payments falling due on its debt next year.

Senior bankers said last night they accept that some time will be needed. At some stage this could include a temporarily negotiated freeze on principal repayments along the lines agreed for other countries.

Argentina, however, would be expected to meet its interest bill. Bankers said yesterday that no formal request for such a freeze had been received.

Relief in the banking community that Argentina was not declaring a unilateral moratorium was mitigated last night by concern that yesterday's developments show that the new administration still has not placed its policy on the country's $40bn foreign debt under firm control.

Argentina is one of the few countries in Latin America which could afford to renounce its debt for any period. It is self-sufficient in energy, has a surplus of food and established industrial capacity. Unlike Brazil it also has no population problem.

Late debt payments by Venezuela, Page 5; Argentina's new forces chiefs, Page 5

Peugeot shuts car plant and shelves investment

BY PAUL BETTS IN PARIS

PEUGEOT, the financially troubled French private automobile group, announced last night that it was shutting down its large Talbot car plant at Poissy and suspending a FFR 1.2bn ($142m) investment programme to modernise the factory outside Paris, formerly owned by the U.S. Chrysler company.

The indefinite closure is designed to force the band of the French Government, which has been delaying a decision on Peugeot's controversial plan to make 2,900 redundant at Poissy. This is part of the car group's wider plan to cut its French workforce by about 7,500 people – a record in French industry.

Peugeot appeared intent last night on provoking a showdown with the labour unions and the Government. Its Talbot plant has been paralysed by a strike in protest against the layoff plans since last week.

This could not come at a mnre delicate time for the time for the Socialist administation, which has been coming under increasing attack in recent days from its Communist coalition partners and the unions on its industrial policies.

Since Peugeot first announced its layoff plans last summer, the issue has become a test case for the Government and the labour unions. In an attempt to defuse the Peugeot plan, which coincides with large-scale job reduction proposals in other troubled sectors like steel and coal, the Government asked a senior official to conduct an investigation into the Peugeot proposals.

This inquiry appears to have endorsed Peugeot's arguments for cutting the workforce of its Peugeot and Talbot car divisions in France by about 10 per cent.

The Government tentatively agreed to allow Peugeot to shed about 4,500 jobs by early retirement, but has found it much more difficult to approve the other 2,900 redundancies.

In recent weeks, Peugeot had indicated it would invest FFr 1.2bn in the Poissy plant, which employs 17,000 people, to manufacture a new model. At the same time, Peugeot has been investing money at Poissy to start production of the successful Peugeot 205.

But Peugeot indicated that the investment programme was linked to the layoff proposals and that one could not go ahead without the other.

With signs last week that the Government was moving towards a decision favourable to the car company, the local unions sought to pre-empt the Government by blocking production at Poissy. Peugeot claimed last night to have lost 6,000 cars since production at Poissy was stopped. The plant produces 1,200 cars a day.

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Bundesbank tightens monetary target

BY JOHN DAVIES IN FRANKFURT AND PHILIP STEPHENS IN LONDON

THE BUNDESBANK, the West German central bank, indicated yesterday that it would exert tight control over inflation as economic recovery picks up next year.

As a signal of its intentions, the central bank's policymaking committee set a target range of 4 to 6 per cent for the growth of money supply between the fourth quarter of this year and the same period next year.

That is a narrower span than the 4 to 7 per cent target range set for money supply growth this year.

More explicitly, the Bundesbank said the maintenance of stable prices must be given stronger attention during the second year of an economic upswing. It would strive for a degree of moneysupply growth that provided the framework for a strong increase in real production but did not endanger price stability.

The Bundesbank emphasised that money supply had been growing at an annual rate of only 5 per cent since summer. The target range for next year would thus enable mooey supply to continue to grow at the same rate as during the past few months.

Therefore the central bank did not see the narrower moneysupply target as heralding a change in monetary policy.

It is, however, concerned to indicate that, with real production evidently gathering pace in West Germany, a tight rein has to be kept on money supply.

Earlier this year, the central bank took a more relaxed view of developments when money supply grew for a time at an annual rate of 11 per cent. It felt that the surge was due partly to an inflow of money from abroad on the eve of a revaluation of the D-Mark against some currencies. With economic re-

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Crocker heads for loss after $107m property loan charge

BY DAVID LASCELLES IN LONDON AND WILLIAM HALL IN NEW YORK

ABOUT £75m will be wiped off this year's profits of Midland Bank, the UK's third largest, because of property loan losses at its U.S. subsidiary, Crocker National Bank of California.

Midland will also be sending out two main board directors to tighten its control of the bank, which has been operating virtually autonomously since Midland acquired a majority stake for $820m in 1980.

The losses mark the latest setback in an acquisition that has so far produced a low return and landed Midland with Crocker's heavy exposure to troubled Latin American borrowers.

Crocker, the 11th largest bank in the U.S., which is majority-owned by Midland Bank, is to take a $107m charge in its fourth quarter on its real estate loan portfolio. As a result the group will report a loss of about $10m for calender 1983.

The announcement of the $107m charge and the anticipated fourth-quarter loss of $57m is a major blow for Midland Bank.

Midland has often been criticised by UK financial analysts because the scale of its investment strained its own financial ratios, and so far Crocker's performance has not justified the premium price the UK bank paid for the Californian bank, which has 373 branches.

Although Midland Bank has pumped substantial amounts of new capital into Crocker its earnings have been declining. In the first nine months of the year its net income was 13 per cent down at $46.8m. Crocker's performance ratios are amnng the worst of any major U.S. bank.

Of the $107m to be charged against earnings, $96m will be used to bolster the reserve for loan losses, and $11m will be used mainly for write-downs of real estate owned by the banks as a result of borrower defaults.

Crocker said the charge was made to address the lingering problems principally concentrated in the bank's construction finance and agricultural loan portfolios.

Mr Jnhn Place, Crocker's chairman said yesterday: "It is prudent to deal with the continuing negative impact of these problems on the current earnings. The actions we are taking are designed to restore the profitability of the bank over time."

Mr Place noted that even with the charge, Crocker's shareholders funds will total about $1.2bn and its ratio of primary capital to assets will be about 6.2 per cent.

Midland also said it would be sending two of its main board directors to Crocker "to agree specific ways of improving performance and to determine future working relationships."

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EUROPEAN NEWS

Walesa warning of long stagnation

By Christopher Bobinski in Warsaw

MR LECH WALESA, leader of Poland's banned Solidarity union, has warned the Government that the country faces a long period of economic and political stagnation if Solidarity is not reinstated.

The warning comes in a speech he is due to deliver in Gdansk today at the monument to those died in food price demonstrations 13 years ago.

His hard-hitting speech, designed to lift his supporters' spirits and reflecting frustration at the Government's refusal to come to terms with him, has been passed to Western reporters in case he is prevented from delivering it.

The local authorities have given him permission to lay a wreath at the monument this afternoon but have forbidden speeches and rallies there.

Mr Walesa, by implication, accuses the authorities of breaking the pledges of co-operation made during the Solidarity period and says his movement has remained faithful to the "programme of dialogue and agreement," a favoured party slogan of the time.

Since martial law was imposed two years ago, he says, the authorities have "solved no political or economic problem and public life is now no more than a caricature."

He urges workers to prepare to fight for their rights. "The better prepared and trained you are, the easier will our victory be," he says.

The speech retains Mr Walesa's customary conciliatory accents but his criticism of the new Government-tolerated unions and the newly formed PRON political umbrella group leaves little room for agreement with the authorities.

Bonn ministry refuses asylum to Pole

By Leslie Colitt in Berlin

WEST GERMANY'S low-key assistance to former members of the banned Solidarity union in Poland has hit an unexpected obstacle. The Interior Ministry has refused to grant political asylum to a former Solidarity activist imprisoned in Poland.

Herr Hans Dietrich Genscher, the Foreign Minister, had urged the ministry to grant asylum to Mr Wieslaw Rozyk, whom Warsaw is apparently willing to release as long as he leaves Poland.

Mr Rozyk was jailed for eight years for threatening to blow up a coal mine in December 1981 if security troops were used against striking miners. The sentence was reduced under an amnesty and he now has 22 months left to serve.

The Bonn Interior Ministry argued that endangering the lives of innocent workers by threatening an act of violence was inconsistent with receiving political asylum. Herr Genscher is said to have asked the Cabinet to reverse this decision.

Hundreds of former Solidarity members wanting to leave Poland after martial law was imposed in 1981 were given entry visas by West Germany before they proceeded to the United States.

One famous victory has not led the Government out of the woods, reports **Walter Ellis** in Amsterdam

Dutch unions give in; and now for the missile crisis

SIX WEEKS AGO, the Dutch Government faced two crises: a revolt by the public sector unions over pay and a need to decide whether or not to deploy U.S. cruise missiles in the Netherlands. Now there is only one.

Mr Ruud Lubbers, the Prime Minister, and his colleagues in the Centre-Right Cabinet this month stood up to the unions and forced them to accept a 3 per cent pay cut for their 700,000 members from January 1. It was a notable victory and an example to other European governments

The unions had tried every tactic they knew to prevent the cuts—strikes, working to rule, mass demonstrations — in a campaign which represented the greatest challenge by organised labour to any Dutch Government this century.

The campaign was a failure. The Cabinet simply sat tight and waited for it to run out of steam. The civil courts operated almost exclusively on the Government's side, ruling one protest after another to be not in the public interest.

But even if they had not, it is abundantly clear that Mr Lubbers was determined to achieve his full pound of flesh, and would have sat out the unions even if they had carried on until Christmas. Even Mr Lubbers's detractors have had to admire his unexpected toughness, and his triumph may stand him in good stead in the second crisis.

The cruise question is entirely different. The Netherlands is deeply divided over installing the American missiles. Old people, the middle classes, even the armed forces share the doubts and fears of the young about nuclear weapons.

It may now be that only a minority is opposed to deployment in all circumstances. But that minority is large and vocal. To defy it will mean certain opposition in the streets and a winter of discontent that could easily extend into the spring and summer.

In parliament Mr Lubbers's majority on the nuclear issue is far from guaranteed. His own Christian Democrat party last week expelled two Left-wing dissidents, Mr Jan Nico Scholten and Mr Stef Dijkman, bringing the majority enjoyed by the Christian Democrat-Liberal coalition, down from 12 to 10.

A number of other Christian Democrat MPs—perhaps as many as 10—are known to be unhappy about allowing in cruise, and it would take only one careless or dictatorial move on the Premier's part to spark off a rebellion that could result in defeat for his government.

That said, Mr Lubbers does not seem likely to act precipitately. He knows that his reputation as a strong man can sustain him for a time. He also knows that he might be able to wait another couple of months without having to take a decision, giving time for any miracle at the Geneva arms talks.

According to past statements, he cannot possibly refuse to accept the missiles if Moscow goes ahead with its build-up of SS20s and no new arms talks are forthcoming. Geneva for Mr Lubbers has always been the key. He will be afraid, though, that if and when he does honour his country's 1979 pledge to its Nato partners, the scale of opposition in Parliament and the streets might hound him from office.

A victory on cruise would confer on Mr Lubbers a status unequalled among Dutch Premiers in recent years. His predecessor, Mr Dries Van Agt, was widely regarded as intelligent and cunning, with something of the "La France, c'est moi!" hauteur of De Gaulle, combined with the political ambivalence and guile of Harold Wilson. He was thus a hard act to follow.

But whereas Mr Van Agt preached the doctrine of economic austerity and keeping faith with Nato, it has been Mr Lubbers who has delivered the goods—at least in the first case. Politicians, like generals, like to conduct major battles on ground of their own choosing. With laid down before he took over. cruise, the battle lines were laid down before he took over. The economy was a different matter, however.

For some years, the Netherlands had been living beyond its means—at least so far as public expenditure is concerned. Healthy balance of payments surpluses, mostly backed up by sales of natural gas, have disguised the fact that governments have had to rely increasingly on the capital markets to keep up with their inherited commitments.

This year, the public sector deficit is expected to exceed some 12.5 per cent of net national income, and state loans are soaking up more than two thirds of money market funds. The coalition, which took office last November, decided that this deficit should be reduced to 7.4 per cent by 1986, and cuts in public sector pay and welfare spending were central to achieving the goal.

Many object that the cuts have been too brutal, hitting the poor, the handicapped and the unemployed more than the middel classes and the rich. Mr Lubbers and his economics inner Cabinet—Mr Onno Ruding (Finance), Mr Gijs Van Aardenne (Economics) and Mr Koos Rietkerk (Interior)—have made only minor concessions. In the long run, they argue, everyone will benefit from balanced books.

The end to the public sector campaign was a milestone for the Government, and a key event for the Opposition and the unions. The latter feel humiliated and are preparing for the next pay round by seeking an exact ruling from the courts on strikes. They wish to be better armed if there is to be any return match.

The Labour Party, meanwhile, has grown in strength. It has risen in the polls and would almost certainly pick up an additional four or five seats to add to its present 47 if an election were to be held this month.

An unemployment level of 825,000—17.5 per cent of the workforce—means that a lot of people are bitter and anxious for a better deal. If Mr. Lubbers wants to continue with his "cure" he has got to hope that the cruise missiles issue does not explode in his face.

MR ONNO RUDING, the Dutch Finance Minister, has warned that the second-stage of the Government's planned reduction in the level of corporation tax, intended for 1985, may not go through, writes Walter Ellis. It could be next September before a final decision is taken.

Cutting back on company taxation is one of the main planks of the Government's industrial strategy. The rate of tax will drop from 48 per cent to 43 per cent from January 1, but Mr Ruding says there may be insufficient financial leeway to go down to 40 per cent as promised in 1985.

Answering an MP's question on the possibility of making special tax concessions for those companies which provided high employment, the minister said adjustments were being considered. According to Mr Ruding, Dutch economic prospects are brighter than had been forecast earlier in the year, but he was less optimistic about a recovery in employment.

Rubbish piled up in Amsterdam during strike

Norwegian oil field plans ready

By Richard Johns

NORSK HYDRO yesterday announced finalisation and submission of plans to the Norwegian Government for the development of the Oseberg oil field in the North Sea at a cost of NKr 32bn (£2.9bn).

Also included in the project is the construction of a pipeline system linked to the Gullfaks field to the north as well as terminal facilities at Mongstad, north of Bergen, involving additional expenditure estimated at NKr 4.2bn.

Norsk Hydro's projections, on the basis of a constant price of NKr 210 (£19) per barrel, show a total revenue from oil and gas sales of NKr 280bn (£25bn) giving a rate of return (after production and transport costs and taxes and royalties) of 11.5 per cent.

Declared commercial by Norsk Hydro in August Oseberg is reckoned to have recoverable oil reserves of 1bn barrels of oil and 70bn cubic metres of gas.

The pipeline would have a capacity of 520,000 barrels a day from Gullfaks to Oseberg and 800,000 b/d from Oseberg to Mongstad.

Throughput from Oseberg is expected to be 200,000 b/d, which should come on stream in 1989, and 200,00 b/d from Gullfaks, a field under development by Statoil.

Thus, there will be spare capacity for other oil fields in the area including Shell's Troll field which has been declared commercial mainly because of its gas reserves.

For the first 15 years of the Oseberg field's life associated gas will be reinjected but production of it is contemplated from the turn of the century if the price justifies the extra costs of construction.

Norsk Hydro, with a 12.5 per cent stake, is operator for a consortium including also Statoil (50 per cent), Mobil Elf (13.33 per cent), Mobil (10 per cent), Saga (7.5 per cent) and Total (6.67 per cent).

Agreement on plans for the development of Oseberg follows the resolution of disagreement between Norsk Hydro and Statoil over the final section of the pipeline and also the cost of the terminal.

French Press law debate opens

BY DAVID HOUSEGO IN PARIS

FRANCE'S controversial new anti-trust Press law aimed principally at reducing the size of the right-wing Press group of M Robert Hersant yesterday began its stormy passage through the National Assembly amid every sign that it will prove deeply embarassing to the Government.

Government supporters fear that its drafting has been bungled and that M Hersant, the owner of three national dailies including Le Figaro and some 14 provincial papers, will retain most of them.

As the debate opened, the parliamentary commission studying the Bill was still amending the text. But the Government's determination to push it through rapidly was confirmed by M Pierre Mauroy, the Prime Minister, who said that the Assembly would meet in special session next month to complete its first Reading.

Socialist members are worried that the Government could be humiliated by seeing clauses in the Bill rejected by the Constitutional Council to which the law is likely to be referred.

The law has revived ideological passions among government supporters and the opposition that had seemed to be fading. Replying to an opposition motion of censure, M Mauroy dramatised the conflict as being between the Right that stood for "vested interests, secrecy and money" and the Left that defended "pluralism (financial), transparency and freedom."

The law will prevent any one group from owning national daily papers whose sales exceed 15 per cent of combined national daily circulation, and from owning provincial papers with combined total sales exceeding 15 per cent of total regional circulation.

In practice the law is only likely to effect Hersant which controls 35 per cent of national circulation and some 14 per cent of provincial.

Under the original draft, M Hersant would have been forced to choose between his national and regional papers as the law forbade any one group owning both regional and national dailies. But this has been amended to meet the criticism of other national papers seeking to expand into the provinces. No group, however, will be allowed to hold more than 10 per cent each of national and regional circulation.

Government supporters, however, fear that M Hersant might escape even this ceiling by, for instance, closing down his loss-making France Soir and producing regional editions of Le Figaro.

Commission car ruling criticised

BY PAUL CHEESERIGHT IN BRUSSELS

THE EUROPEAN Commission exceeded its powers in telling Ford Werke of West Germany to resume supplying right-hand drive cars to its West German dealers, according to Sir Gordon Slynn, Advocate General of the European Court of Justice.

This opinion will influence the court when it rules next spring on Ford Werke's dispute with the Commission over the legality of its West German distribution system.

Until May, 1982, Ford Werke supplied its West German dealers with right-hand drive cars which were sold on to British customers seeking lower prices than those available in the UK. It stopped doing so in order to protect the market of Ford UK.

The Commission told it to start selling again and the Court then turned down an appeal by the company with an interim judgment ordering it to resume selling at traditional supply levels.

Sir Gordon says that the Commission went beyond its powers in ordering a resumption of sales. The Commission, in short, can stop somebody doing something but it cannot force somebody to do something.

There were three possibilities for the Commission in Sir Gordon's view. It could decline to give Ford Werke an exemption from the normal competition rules to permit an exclusive dealer network. It could give an exemption on conditions; and, as a variant, it could refuse the exemption unless Ford Werke sells right-hand drive cars.

The Commission was also criticised for failing to give a hearing to British car dealers.

Spain eases Gibraltar restrictions

BY DAVID WHITE IN MADRID

SPAIN HAS discreetly ordered a further slight easing of restrictions with Gibraltar in order to let local residents pass more freely over Christmas.

The move comes just a year after the Socialist Government, then newly installed in office, ended a 13-year border closure by allowing Spaniards, Gibraltarians and Gibraltar residents to cross on foot.

The latest measure lifts the ban on more than one crossing a day for Gibraltar residents. It was made through an internal circular of the Spanish Interior Ministry. The British embassy in Madrid said yesterday it had received no official notification. It was not clear whether the measure would be extended indefinitely.

Journalists accredited with the Madrid Government are also being allowed to make the crossing.

Discussions between Britain and Spain on the future of the Rock have faltered over disagreement about the terms of a 1980 pact under which Britain insists that Spain should first open the border completely.

U.S. is to offer 'no further concessions' in the Start talks

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT, IN LONDON

THE U.S. will not offer the Soviet Union any further concessions to return to the Geneva Start talks on reducing strategic nuclear weapons, General Edward Rowny, the U.S. chief Start negotiator, said yesterday.

Ambassador Rowny said that the U.S. had already put good proposals forward before the Soviet Union decided to withdraw from the talks. Moscow would see concessions designed to bring it back to the negotiating table as a sign of weakness he said.

The Soviet delegation withdrew from the Start talks last week, refusing to agree a date for their resumption. Mr Rowny said yesterday that he thought they would return, although he did not know when.

Last month, the Soviet Union walked out of the parallel INF Geneva talks on limiting medium range nuclear missiles in Europe. Yesterday the seven Warsaw Pact countries represented at Vienna talks to reduce non-nuclear forces in Europe withdrew, as expected, again refusing to name a date for a resumption of negotiations. A date for the opening of a new round of these Mutual and Balance Force Reduction talks (MBFR) would be "agreed upon later through diplomatic channels" a Soviet spokesman said in Moscow.

Yesterday, Mr Rowny, who was speaking on a satellite link-up with six European countries, said that he did not think that the Soviet walk-out from the three major arms control talks represented a major crisis. He believed Moscow would return to the talks once it had completed its current review of future arms control policy.

Mr Rowny said that recently there had been some movement on the Soviet side in the 18-month old Start talks, particularly in discussion of possible confidence building measures designed to avoid accidental nuclear war.

However, in the last few weeks the USSR had been preoccupied with the deployment of the new U.S. cruise and Pershing missiles in Europe. It had interrupted the Start talks as a gesture of protest, even though the U.S. believed there should be no link between the INF talks which deal with the medium range cruise and Pershing missiles and Start.

Mr Rowny said he saw no advantage for the U.S. in merging the INF and Start talks, a suggestion which has been widely canvassed in Europe as a possible way of resuming the two negotiations. He also said that the Soviet delegation to the Start talks had never once raised the possibility of considering the British and French independent nuclear forces in the context of Start.

However, he said he hoped that the future of all talks could be discussed at the security conference which opens in Stockholm next month, and where a meeting between Mr George Shultz, the U.S. Secretary of State and his Soviet counterpart, Mr Andrei Gromyko, now seems possible.

Gromyko hints at Soviet willingness for contacts

BY ANTHONY ROBINSON IN LONDON

SOVIET Foreign Minister Andrei Gromyko has provided the first indication of Soviet willingness to use the forthcoming European Disarmament Conference in Stockholm next month as a platform for continuing political contacts with the West, despite the Soviet decision to walk away from arms control negotiations in both Geneva and Vienna.

This emerged from talks with Mr Paavo Vaeyrynen, the Finnish Foreign Minister, who is currently visiting Moscow, according to reports in the Finnish press.

Nato foreign ministers have indicated that they intend to take part in the opening session of the conference, but Mr Gromyko declined to confirm his own intention to attend personally.

If he does attend, this could provide an opportunity for a bilateral meeting with Mr George Shultz, the U.S. Secretary of State. But U.S. diplomats believe that such a meeting would only take place after a Kremlin decision to resume limited contacts with the U.S. This could well be one of the most important questions on the agenda at the forthcoming meeting of the central committee plenum and Supreme Soviet sessions immediately after Christmas.

Diplomats believe that the leadership is still undecided on its future policies towards the West, and much will depend on their assessment of the likely course of the U.S. presidential election campaign and the chances of President Reagan's re-election.

The Soviet leadership is believed to be deeply reluctant to do anything which might help the re-election chances of Mr Reagan. If faced with the strong possibility of re-election, diplomats believe the Soviet leadership might be prepared to resume negotiations on arms control and other issues rather than allow East-West relations to deteriorate further until the elections are over.

Air chiefs to sign fighter agreement

By Our Defence Correspondent

THE AIRFORCE chiefs of five European countries are expected to meet in West Germany this morning to sign an agreement on a common requirement for a European fighter aircraft for the 1990s.

The agreement will be signed by the Air Chiefs of Staff of Britain, France, Germany, Italy and Spain.

Britain, Germany and Italy are already partners in the Tornado multi-role aircraft, but the inclusion of Spain and particularly France could make the programme the largest single cooperative military project in Europe.

Today's agreement will pave the way for preliminary discussions between officials.

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Kuwaitis split on reaction to wave of bomb attacks

BY KATHLEEN EVANS IN KUWAIT

KUWAIT appears divided on how to react to the wave of bomb attacks which struck the country last Monday.

Parliamentarians known for their opposition views fear that over reaction may lead to curbs on political activities and the freedom of the press. Supporters of the Islamic movement in Kuwait believe there may be a crackdown on their activities.

In contrast, conservative Kuwaitis and merchants are saying that the country's security needs to be tightened, so that Arab and Middle Eastern problems will not be imported into Kuwait.

Too many factions have an interest in making the Gulf unstable, they say.

The Islamic movement has become particularly powerful in the last 18 months in Kuwait. In particular, its seven members three of whom are Shias, have proved to be a highly effective lobby advocating social reforms.

In addition, the country has several Islamic reformist clubs and cultural societies which provide an umbrella for the movement's activities. Despite Western preoccupation with Shias fundamentalism, it is the Sunni version, the Muslim brotherhood, which has the greatest support in the Gulf states.

This movement, grouped together in Kuwait under the Jamaiya el Islah (the Reformist Society), believe that rule by families is anti-Islamic.

Until now, members of the movement have been relatively free to express these views publicly—at least within the confines of the university. Now, however, they believe that last Monday's bomb attack will be used by the government "as a smokescreen for a crackdown."

Outspoken parliamentarian Khalid al Wasmi said: "The Islamic group is now feeling under attack. These car bomb explosions will discredit the movement and I think the government will draw up uaws about political meetings and perhaps even sign the security pact with the GCC states."

Many members of parliament in Kuwait, not just the opposition members, fear the implications of the Gulf security pact, and believe it will violate Kuwait's political and territorial independence from Saudi Arabia.

The Gulf Treaty would allow security forces of any GCC state to enter another in pursuit of "criminals" without prior permission np to a distance of 20 kilometres.

IRAQ continned its air strikes against cities in south-west Iran yesterday, following Wednesday's air and missile attacks which were said by Tehran tn have killed 32 people and injured more than 300, Our Middle East Staff writes.

A military spokesman in Baghdad said that targets in the towns of Ilam and Dehloran had been bombed in further retaliation for the bomb attacks in Kuwait on Monday.

Iran has denied responsibility for the Kuwait incidents, bnt said yesterday its patience with Iraq was wearing thin.

Israeli inflation rate reaches 160%

By David Lennon in Tel Aviv

ISRAEL'S inflation rate reached 160 per cent in the first 11 months of the year, breaking all previous records and causing great concern to the government.

Inflation in 1982 was 130 per cent, and the government had hoped to bring it down to donble digits this year, but now it is certain that by the end of this year annual inflation will be approaching 200 per cent.

In November prices rose by 15.2 per cent, the highest increase for any November on record, the Central Bureau of Statistics announced yesterday. The expectation is that the cost of living index will rise by a similar percentage in December.

The trade unions are threatening strikes if the government does not pay compensation for the 25 per cent erosion of wages caused by the sharp acceleration of inflation during the last two months.

Mr Yigal Cohen-Orgad, whn was appointed Finance Minister two months ago, has placed the rednction of the balance of payments deficit as the primary target nf his new policy of controlled recession.

In pursuit of this goal hn has cut subsidies on basic commodities, speeded up the depreciation of the shekel and is trying to slice 2 per cent nff the budget.

The immediate impact of this first part of the policy has been to push inflation to unprecedented heights.

The Finance Minister bad intended to give inflation secondary priority while trying to reduce the balance of payments deficit.

New moves for Lebanon peace

BY ANTHONY ROBINSON

THE Foreign Ministers of Lebanon, Syria and Saudi Arabia are due to meet in Damascus on Sunday as part of wide-ranging diplomatic efforts to prepare the ground for resumption of the Lebanese reconcilation talks, President Amin Gemayel disclosed yesterday in Loodon.

At the same time, contacts between the various Lebanese factions are also under way to decide a time and place for the resumption of the talks, the first round of which took place in Geneva last month. Montreaux is now seen as the most likely venue for the resumption of talks, possibly next week, if the Damascus talks are successful.

President Gemayel was speaking at the end of a two-day visit to London where he was assured by Mrs Margaret Thatcher, the Prime Minister, of continuing British Government support for efforts to maintain the integrity and security of Lebanon.

But he was also made aware of opposition doubts about the future of the British and other peace-keeping forces in Beirut following the recent U.S.-Israeli strategic agreement and subsequent U.S. bomb and naval shell attacks on Syrian-supported forces.

President Gemayel criticised "distortions of the truth" which appeared in the international press concerning the Lebanese crisis and also attacked the "sorry cynicism" of those who asked whether Lebanon was worth saving or worth the risk of British lives.

"I cannot overestimate the debt we owe to the British and other forces of the multinational peace force," he said, adding: "The premature withdrawat of these forces through expediency or under the threat of international terrorism would have immense consequences throughout the Middle East."

The impact would be similar to that which followed the Western democracies' disregard for the interests of small countries in Europe in the 1930s, be added.

He declined to give a date for the possible withdrawal of the peacekeeping forces as this "would merely encourage the enemies of Lebanon to adopt delaying measures."

The priority of the Lebanese Government was to secure the speediest removal of the five foreign forces illegally present in the country—those of Israel, Libya, Iran, Syria and the PLO. "Once they have gone we will be able to solve our own internal problems," he added.

President Gemayel praised the performance of the re-constituted Lebanese national army which, thanks to conscription, was now made up of 40 per cent Christians and 60 per cent Moslems and had become "the most eloquent examples of the national will for survival."

Druze angry over U.S. shelling

BY PATRICK COCKBURN IN BEIRUT

DRUZE LEADERS in the mountains overlooking Beirut expressed anger yesterday at the shelling of their villages by the U.S. battleship New Jersey on Wednesday.

"They don't kill the Syrians, bnt my people," said a Druze soldier. Mr Hisham Nasr Eldine, political leader of tha mountain region to the east of Beirut, said the U.S. would face a new Vietnam if it supported the Lebanese Government in this way.

Speaking in his beadquarters in he mountain town of Aley, Mr Nasr Eldine said that most of the artillery battles in and around Beirut were started by the Lebanese army or the Christian militias. He added that if the multinational force moved its positions away from those of the Government then they would not get bit by Druze artillery.

Underlining the seriousness of the artillery duels which take place almost nightly two French soldiers have been killed by a shell, a French spokesman said yesterday. He did not say where they died but they are though to have been artillery observers who were in a town 10 miles from the main French position. Another French soldier was shot dead in Beirut, bringing to 81 the number of French soldiers who have died in Lebanon over the last 12 months.

The 110-strong British force is also coming under threat from hostile artillery, with a round landing close to its position yesterday.

Hussein urges European initiative

BY JOHN WYLES IN STRASBOURG

THE credibility of the U.S. as a promoter of a Middle East peace settlement has been "all but totally destroyed" by Washington's condoning of Israeli policies, King Hussein of Jordan told the European Parliament yesterday.

In a gloomy analysis of the Middle East situation, be warned of the growing dangers of a confrontation between the U.S. and the Soviet Union "that could involve the use of deadly weapons which bave caused so much alarm in Europe."

He urged Europe to launch a "constructive move" aimed at bringing the Soviets into the search for a peace settlement.

"It is of vital importanae to us all that a dialogue between the two superpowers should be embarked upon so that a common approach to peacemaking in the Middle East could be formulated."

PLO men poised for evacuation

By Patrick Cockburn In Beirut

PALESTINIAN Liberation Organisation forces loyal to Mr Yassir Arafat are to start evacuation from Tripoli on Monday or Tuesday aboard five Greek ships, Mr Abu Jihad, Mr Arafat's military lieutenant, said yesterday.

Greece has agreed that international guarantees of the convoy's safety are now sufficient. Israeli gunboats have been making pinprick attacks against Mr Arafat's men over the past week.

An Italian vessel is to evacuate 97 seriously wounded Arafat loyalists today.

In a fresh upsurge of fighting in Tripoli, about 20 people were killed yesterday as rival Palestinian forces and their local allies continued to skirmish.

Mr Arafat and his followers appear eager to leave Tripoli, believing that they have as many political gains as are possible in the circumstances

Confident Bahrain feels secure

BY MARY FRINGS IN BAHRAIN

POPULATION
238,400 Bahrain nationals
112,600 Foreigners
351,000 Total

RELIGION
60% Shi'ite Moslems
40% Sunni Moslems, Christians and Others

THE FLAGS are out all over Bahrain and public buildings are ablaze with coloured lights for the island's national day, today.

Despite Monday's bomb attacks in Kuwait, there will be no modification of the celebration programme, which incindes public engagements for the Emir and senior members of his Government. Security is likely to be tight, without being obtrusive, and there is no evidence of beightened tension.

But the fact that this year marks the bicentenary of Al Khalifa rule in Bahrain is not being emphasised. It was at this time of the year in 1981 that police thwarted a more direct attempt to topple the Bahrain regime than appears to have been the case in Kuwait. Over 70 dissident Shi'ite Moslems, who were alleged to have bad support from Iran, were later put on trial; two of them were jailed for life, the rest for shorter terms.

Most were Bahrainis, with a sprinkling of Saudis, one Kuwaiti and one Omani. There is almost certainly no connection between this group and the Islamic Jihad, the group which claimed responsibility for the Kuwaiti explosions. Some Bahrainis, however, do see a connection between the Kuwaiti incident and a recent sabotage attempt in Qatar, about which very little is known.

If suspicion this time is falling on "outsiders" and principally on Iranians, Palestinians and other Arabs from beyond the Gulf, then Bahrain is in a more secure situation than Kuwait; firstly because it is an island where illegal entry is easier to control, and secondly, because the resident foreign population is proportionally mnch smaller.

The 1981 census counted 112,000 non-Bahrainis in a total population of over 350,000. Among them were 87,000 Asians, 10,000 Europeans and Americans, and 9,000 non-Gulf Arabs. There are no figures on Iranians but the number of short-term immigrants (as distinct from those who came two or three generations ago and have been absorbed into tha Bahraini population) is not significant.

It is a sore point with Arab nationalists that Libyans, Palestinians, Lebanese, Syrians and Iraqis find it more difficult to obtain residents' permits than Europeans, even if a local company has offered them a job.

Just over half the Bahraini population are Shi'ite Moslems, while the ruling family is Sunni.

Extra guards were posted on Monday around foreign embassies in Bahrain and police cleared all cars parked in front of the "VIP" entrance to the international airport. But these were precautionary measures. Bahrain does not feel any more vulnerable than previously to the activities of destabilising elements.

Japanese await fate of factions in poll

BY JUREK MARTIN IN TOKYO

JAPANESE LOWER HOUSE
Strength of LDP factions

Tanaka	65
Suzuki	62
Nakasone	48
Fukuda	46
Komoto	30
Others	37
	288

ON SUNDAY, about two-thirds of Japan's 84.48m registered voters will cast their ballots in a general election which may test the popular thesis that Japanese politics live by the "plus ca change" rule.

It will almost inevitably result in the return to power of the same conservative regime that bas run the country for the last 35 years, bnt with a smaller majority than it has enjoyed since the last election in 1980. It will probably, but less certainly, see one of its more conservative members, Mr Yasuhiro Nakasone, return as Prime Minister, which would be a source of relief to governments in Washington and most of the capitals of Europe.

But it will see him back with a mandate the strength of which will be determined not only by the ruling party's overall performance but also by any shifts in the balance of power inside the incumbent Liberal Democratic Party, which resembles a collection of fiefdoms.

After a campaign apparently dominated by the issue of political morality, thn man whose perceived debasement of national standards brought about the election, is likely to be conclusively returned to parliament. Mr Kakuei Tanaka's faction is likely to retain its position as a dominant force inside the LDP. The aspirations of several of Mr Nakasone's potential rivals depend on how well their segments of the party do on Sunday.

If the LDP wins 270 seats, thns retaining absolute control over all the committees in the Lower House, then both the party and Mr Nakasone, though not some of his rivals, will be sitting pretty: 265-270 is probably good enough for his survival, though at some cost: 256-264 will throw Mr Nakasone's fate into the hands of the party power brokers, whose own hands will have been strengthened or weakened by the election: less than 256 seats, meaning loss of the LDP's overall majority, will mean the end of Mr Nakasone, possibly within days, certainly within a year.

Even if the LDP gets a few less than 256 seats, it will still form the next government; it would be able to command the support of at least a dozen independents and splinter party MPs. It is unlikely to be in such dire straits for two reasons: the first is that the Japanese electoral system is weighted in favour of the countryside, the LDP's stronghold, where a vote can be worth four-and-a-half times as mnch as in a city: the second is the enormous advantage the system gives incumbents and the fact that, this time, only 19 of the 51 "empty" seats belong to the LDP.

The LDP factional battle, the war-within-a-war, is perhaps more important. The factions are grouped into tha so-called "mainstream" (Tanaka, Nakasone and Suzuki) and "non-mainstream" (Fukuda and Komoto), plus maybe 30 "floating" independents; the main divisions coincide very roughly to the British Tory split between "drys" and "wets," with the Suzuki faction coming closest to bridging the gap.

Each faction contains its own would-be Prime Minister; they are currently the Finance Minister, Mr Noboru Takeshita (Tanaka Packon), the Foreign Minister Mr Shintaro Abe (Fukuda), the former Foreign Minister Mr Kiichi Miyazawa (Suzuki), the former Economic Planning Agency bead Tosblo Komoto (his own, sometimes still known as the Miki faction), as well as Mr Nakasone himself.

The experts are hopelessly divided on which will do best on Sunday. Early predictions of the decimation of the Tanaka faction, because of its leader's problems, seem ill-founded; many of its younger members are running as Takeshita-ites rather than under Mr Tanaka's umbrella and their organisation and money seem well deployed.

The factional permutations are endless, but difficult to predict mainly because elections in Japan bave much more to do with local personalities and organisation than issues.

There are some factors which could count at the margin in this election bowever. Voter turn-out is one:

The interest of women is another:

Thus, when the results are finally in, it may appear that the surface waters of Japanese politics have remained, as ever, calm. But there may be some undercurrents which could have a substantial effect on the tide of Japanese policy.

Malaysian crisis is resolved

BY WONG SULONG IN KUALA LUMPUR

MALAYSIA'S four-month-old constitutional crisis has been resolved after Dr Mahathir, the Prime Minister, backed away from confrontation with the nine Malay sultans and offered them substantial concessions to get their agreement on a constitutional amendment bill.

The bill was immediately gazetted into law, hours after Tunku Jaafar, the deputy King, assented to it. But Datuk Musa Hitam, the Deputy Prime Minister, said the government would call a special parliamentary session next month to push through changes to the gazetted bill, and pledged that the government would keep promises it bad made to the sultans.

Under the concessions, the King will retain the right to declare a state of emergency and all bills at state level will continue to require royal assent to become law.

At federal level, the King can now delay bills for np to 30, instead of 15 deys, and he can send them back to parliament together with his objections. But he must then sign them if they are returned by parliament.

WORLD TRADE NEWS

French shipbuilders angry over loss of order to Yugoslavia

BY PAUL BETTS IN PARIS

A ROW between the French Government and the country's shipbuilding industry broke out in the open yesterday following the award by a French shipper of a large order to a Yugoslav shipyard.

The row surfaced as President Francois Mitterrand started yesterday a three-day visit in Yugoslavia.

In a clear move to coincide with his visit Alsthom-Atlantique, the large engineering subsidiary of state-owned Compagnie Generale d'Electricite (CGE) claimed it would have won the order if the government had not delayed approval of the deal.

Alsthom-Atlantique said it had reached a preliminary agreement last month with Societe Navale Chargeurs Delmas - Vieljeux, a major French shipping company, to supply four cargo ships costing FFr 150m (£12.5m) each.

Two of the 33,000-tonne cargo ships would have been built at Alsthom - Atlantique's Saint-Nazaire yard. The shipbuilder had simultaneously reached a co-operation agreement with the Hyundai shipyard in South Korea which would have built the other two.

But this preliminary deal hinged on the approval of the French Government before November 24. However, the Government delayed making a decision and the French shipper chose instead the Rijeka shipyards of Yugoslavia.

The Yugoslav prices average about FFr 130m-FFr 150m per ship. Shipping industry officials sources suggested that the cost of each ship in France would be around FFr 400m but the Alsthom-Atlantique-South Korean deal plus French Government's aid would have made them competitive with the Yugoslav ships.

The loss of the contract comes at a critical moment for the French shipbuilding industry which has just received an additional Government subsidy of FFr 650m.

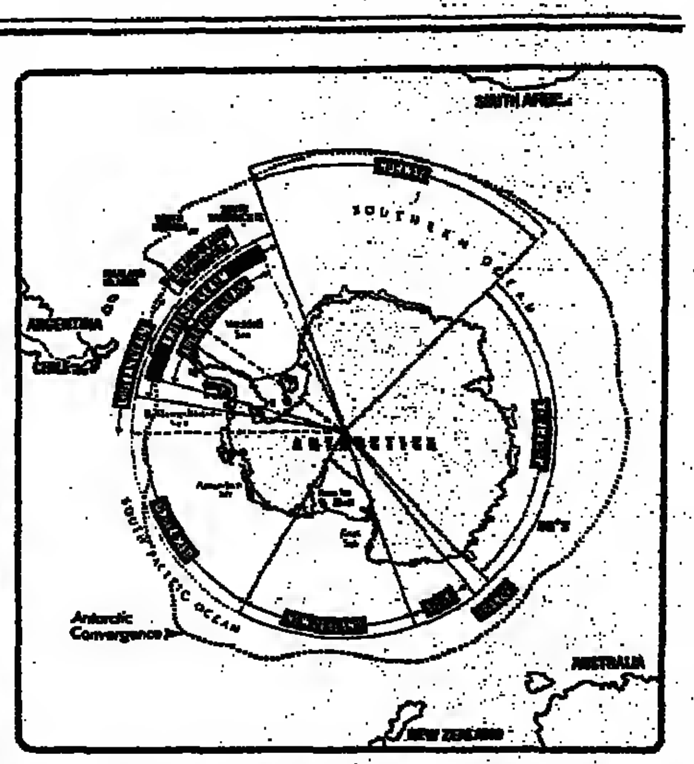
Fleming Dahl writes from Oslo: A Norwegian shipping company, Osco Product Tankers, has ordered a 69,000 deadweight tonne product tanker at the Dalian yard in China. The value of the contract was said to be about $25m (£17.5m).

The ship will be bigger and more technically advanced than any ship so far built in China. It is to be delivered in September 1986 and will be operated under the Norwegian flag by Osco Shipping of Oslo.

The ship will be classified by Det norske Veritas, the Norwegian classification society. The owners expressed hope that Norwegian suppliers would prove successful in competing for ships' gear contracts.

The UN wants wider access to polar resources, **Evan Luard** writes

Why new Antarctic regime is sought



THE UN resolution to broaden the base of international participation in exploration and resource development of the Antartic has implications that may prove almost as important over the long term as the proposal put before the UN by Malta in 1967.

That resolution, referring to exploration of the seabed, led finally to the UN Conference on the Law of the Sea, and the conclusion of a treaty governing all uses of the seas and their resources. It has so far been signed by almost 130 countries.

The Antarctic is seen by many as being just as international in character. It comes in response to growing fears that the region is in danger of coming under exclusive control of those nations possessing the capacity and technology for exploiting the Antarctic's hidden resources.

The problem as to who controls what in the Antarctic goes back to the heyday of Colonialism.

From the early 19th century onwards the region became the object of conflicting claims. A system developed under which a country that had discovered and landed in any particular part of the sub-continent would claim the entire "sector," or cone, having its apex at the South Pole, even though at that time no explorer had ever been anywhere near the Pole itself.

The sectors claimed on this basis overlapped in many places, and this led to occasional international incidents, involving the tearing down of flags and the occupation of the stations of other countries, such as between Britain and Argentina and Britain and Chile in the late 1940s.

It was to overcome problems of this kind that in 1957 a conference was called. It brought together those countries which had claimed territory in the Antarctic, as well as others, such as the U.S. and the Soviet Union, which had made no such claims but had scientific or other interests in the region. A 1959 treaty "froze" territorial claims and set up a kind of non-national regime throughout the area.

Under this any participant could undertake scientific research, under the jurisdiction of its own country, in any part of the Antarctic, and machinery was set up for resolving disputes. The participants agreed to meet at regular intervals to consider new problems affecting the region. Two or three years ago, for example, they established a new system for regulating the exploitation of the living resources of the area.

Thus in effect the signatories set themselves up as the rulers of the whole region. Other countries were and still are only able to have access to the region if they can give evidence that they are undertaking serious scientific research in the area and if the treaty powers agree to accept that claim—India has now undertaken two scientific expeditions but has not yet been admitted to the group. A few, such as West Germany and Poland—have been admitted to the group under these arrangements.

Developing countries, including some that have no wish, and perhaps no capacity, to undertake scientific research, have become increasingly restive about this situation. They claim that this is an area that belongs to the international community as a whole and that its resources, living and non-living, should be regarded, like those of the seabed, as the common heritage of mankind and its benefits shared among the countries of the world as a whole.

It was on these grounds that Malaysia took the initiative to propose to the UN that all claims to the area should be eliminated; that exploration and exploitation be carried out for the benefit of mankind as a whole; that the Antarctic be demilitarised; and that a new legal framework—in other words a new Antarctic Treaty—be drawn up to create a more genuinely international regime for the area than exists at present.

Few, apart from the treaty powers themselves, are able to see why a self-appointed group, whose rights of control date from the last century or because they were invited by the U.S. to take part in the 1959 conference, or because they have been admitted to the closed circle in the past 25 years, should continue to govern this important region.

Evan Luard was a Foreign Office Minister concerned with UN matters between 1976-79 and is a writer on international affairs.

A UN resolution aimed at involving more states in decision-making in the resource-rich Antarctic was expected to be ratified by the 158-nation assembly, meeting in plenary session, last night, writes our UN Correspondent.

The Resolution was adopted by consensus on November 30 and called for a comprehensive report on the region. A 16-nation grouping of consultative parties to the Antarctica Treaty of 1959 approved the UN political committee recommendation, though were not enamoured of the UN's involvement in the matter, which was initiated by Malaysia, and co-sponsored by Antigua and Barbuda.

These powers, which include the U.S., the Soviet Union, Britain, France, and West Germany, cautioned the UN against trying to replace or supersede the treaty, which provides that the area south of 60 degrees latitude south shall be used only for peaceful purposes and encourages the exchange of scientific information.

France set to aid Indian electronics industry

BY JOHN ELLIOTT IN NEW DELHI

FRENCH electronic and telecommunications companies are set to make major inroads into Indian high technology developments following talks in New Delhi this week between civil servants and businessmen from the two countries. France is considering adopting India as one of the small number of developing countries which it will help to build an indigenous electronic industry.

Brazil has already been considered for this role. The French Government is motivated partly by a wish to increase markets for its own industries and partly by an ambition to counter the world wide power of multinational corporations such as IBM of the U.S.

India's electronics industry is expanding rapidly, boosted by industrial policy relaxation earlier this year. Yesterday the Government announced that production of consumer electronics, electrical data processing and office equipment increased from $283m in 1981 to $400m in 1982.

France's major achievement in these high technology industries has been in obtaining two key telecommunications exchanges contracts for CIT Alcatel.

One project discussed was the development in India of mini-computers and other components for the exchanges.

Panhandle's freeze of gas deal surprises Algerians

BY FRANCIS GHILES

THE DECISION by Panhandle Eastern, the major U.S. pipeline company, to suspend indefinitely its contract to import liquified natural gas from Algeria has surprised senior officials of the Sonatrach, Algeria's state oil and gas monopoly.

Last month, during an official visit to Algiers, the U.S. Energy Secretary, Mr Donald Hodel, assured President Chadli Bendjedid that while the U.S. Administration wanted to see certain modifications included in Panhandle's contract with Sonatrach, it would stop short of revoking the company's import licence.

Last April, Sonatrach had agreed to Panhandle's request to reduce shipments of gas by 40 per cent: 3.5bn cubic metres of gas have been shipped from the Algerian oil and gas base in Arzew to Panhandle's LNG terminal at Lake Charles in Louisiana between November 1982 and November 1983.

Algeria replaced Saudi Arabia as the biggest Arab supplier of oil and gas to the U.S. in the first nine months of this year, pushing its sales up by 49 per cent to $2.76bn. This compares with a figure of $2.5bn for all 1982. U.S. exports to Algeria, which topped $1bn last year, are expected to fall short of that figure in 1983.

For Algeria, the freezing of its contract with Panhandle will cost Sonatrach one-sixth of its natural gas export income, about $500m. The company's foreign income from sales of hydrocarbons will amount this year to $12.7bn, unchanged from last year's figure and split in roughly equal part between crude, where sales have slipped, condensates, where sales have increased and refined products and gas.

Rivals in Ankara to discuss N-plants

By Our Ankara Correspondent

TEAMS FROM nuclear power organisations of three countries are in Ankara this week discussing plans for atomic energy stations. In contrast to the situation a few months ago, they were not visiting Turkey as competitors.

Last month Turkey, which had been thought to be tendering for a single nuclear power station at Akkuyu on the Mediterranean, unexpectedly issued letters of intent to three bidders. They are AECL (Candn) of Canada, Kraftwerk Union of West Germany, and General Electric of the U.S.

Despite queries about how Turkey was going to finance three nuclear projects—an original scheme to build a 600 Mw power station at Akkuyu by Asea Atom of Sweden foundered in 1979 because of lack of finance—all three appear to believe that the money will be found and the three projects will go ahead.

GE is proposing a 1,200 Mw station at Sinop on the Black Sea at a cost of over $1bn, for which the U.S. Export-Import Bank may provide credits of up to $600m. It is thought that the Exim Bank's hesitations over the fact Turkey is now building three stations simultaneously are now the only obstacle to the project going ahead.

KWU is believed to be facing fewer difficulties with Hermes, the West German export credit agency, for its plans to build a 990 Mw plant at Akkuyu. The plant would cost DM 2.3bn ($870m), but Hermes appears to be willing to stick to its guarantees of credits of DM 1.4bn. German officials are disconcerted that the proposed station will be sited next to another at Akkuyu being built by their Canadian rivals.

AECL (Candn) have bid for a 635 Mw plant also at Akkuyu, using different technology from the German plant, and costing around $900m. The Canadian export credit offer of $800m is the best made by any of the bidders.

Both AECL and KWU may buy their turbines from Brown Boveri of Switzerland and are, thus, competing for the same Swiss export credits. But AECL is also considering an alternative deal with Northern Engineering Industries of the UK. An earlier British bidder for the turbines contract, GEC, dropped out when financing could not be arranged.

Turkey is desperate to expand its electricity generating industry. Demand last year was 29 bn KW hours, and is expected to rise to around 200bn KW hours over the next decade.

Soviet coal deal won by Italians

By James Buxton in Rome

Italimpianti, the Italian State-owned process plant company, has won a major contract with the Soviet Union for coal treatment equipment. The L70bn (£29.5m) contract is for building four coal homogenisation plants for the Ekibastuz coalmines in northern Kazakhstan.

The four plants, each with a capacity of 15m tonnes a year, are said by the Genoa-based company to be the first of their kind: they must handle a wide variety of coal lump sizes, and at extreme temperatures — ranging between minus 45 degrees centigrade and plus 40 degrees.

Turkey signs $4.2bn U.S. fighter accord

BY DAVID BARCHARD IN ANKARA

TURKEY'S state aircraft corporation, Tusas, has signed a $4.2bn deal with General Dynamics of the U.S. to manufacture F-16 fighter jets at a plant at Murted near Ankara.

The signing of the contract, which appears to have been the last action of the outgoing military government, will have wideranging consequences for the Turkish government and the indications are that the new cabinet of Mr Turgut Ozal is not best pleased with the deal.

The head of the Turkish airforce until earlier this month, General Tahsin Sahinkaya, said recently that the Turkish Government would have to find only $1bn to finance the deal over ten years. General Dynamics would pledge $1.5bn through offset deals, and the remainder from U.S. government sources.

A number of U.S. companies, headed by General Dynamics in association with United Technologies, and Pratt & Whitney are to market up to $1bn of Turkish exports. Other U.S. companies are to invest up to $500m in joint ventures in Turkey in different sectors.

The groundwork for most of these investments appears to have been carried out at a recent meeting in Istanbul of Turkish businessmen and the Overseas Private Investment Corporation.

One major major hurdle for the deal, and Turkey hopes to the U.S. Congress, has been passed already. A 30-day period for objecting to the letter of intent sent by the Turkish Government on November 3 expired last week.

Turkey will purchase an initial ten F-16 fighter jets next year while the plant at Murted is being set up. Tusas and other Turkish companies will manufacture as many parts as possible for the planes and a new casting factory will be built at Izmir, on the Mediterranean coast.

Turkey is believed to have written a clause into the contract which guarantees its rights to U.S. funds if there should be an interruption of aid such as the U.S. embargo on military sales to Turkey in 1975

Business interest here centres on the practical implications of the offset investment and exporting deals which are being used to guarantee the contract. One leading Istanbul businessman, Mr Murteza Celikel, has already spoken out against the involvement of American capital in the Turkish farm sector, which will be one consequence of the agreement.

Boots lose dumping case

BY PAUL CHEESERIGHT IN BRUSSELS

THE EUROPEAN Commission has told Boots, the British pharmaceutical group, that it would have to fend for itself in the international saccharin market. Measures to protect it from cheap imports are being lifted.

Saccharin suppliers from China, Korea and the U.S. have been released from undertakings they gave two years ago to keep up the prices of their artificial sweetener sales in the EEC. The undertakings were given after Boots brought an anti-dumping action.

The Commission said partly yesterday that Boots itself had been importing saccharin from Japan at a price below that of the price undertaking.

British Rail links with Davy for exports

By Hazel Duffy, Transport Correspondent

BRITAIN is making a somewhat belated attempt to get its export act together on railway projects with the formation yesterday of a new company, Davy British Rail International's by the Davy Corporation, the U.K.-based project engineering group, and Transmark, the consultancy subsidiary of British Rail.

The new company, owned 60 per cent by Davy McKee (part of the Davy Corporation), and 40 per cent by Transmark, will be able to offer total project capability in competing for international rail contracts. It will also be able to offer financial expertise through Davy's established banking links.

The company aims to double Britain's showing in the world-wide market, estimated to be worth around $8bn a year. While the French, Italians and Japanese account for probably 60 per cent of rail exports, Britain's share is only about 4-5 per cent.

The explanation for the low share is familiar: the industry, despite the fact is comprises several companies which have high international reputations lacks the cohesion. Britain's rail consultants go about their work in "a totally ethical way, which is very good, but it does not always promote the chances for the suppliers of rail products," says Mr Ian Nichols, the ne wcompany's new joint managing director. "It is almost like a football team which does not have a home ground."

Transmark considered a Balfour Beatty link-up but decided it would be more likely to enjoy a good relationship with the supply industry if it linked with a company with no manufacturing presence in rail equipment.

Jamaica confident of standby IMF credit

By Canute James in Kingston

NEGOTIATIONS between Jamaica and the International Monetary Fund for a standby credit facility of $180m will be concluded by next Thursday, according to Mr Edward Seaga, the island's Prime Minister and finance minister.

Local bankers said yesterday that an earlier statement from Mr Seaga had left them with the impression that the facility had already been agreed.

In announcing a 43 per cent devaluation of the Jamaican dollar three weeks ago, Mr Seaga said the move had been decided "under the terms of the new standby credit." He said that it had been decided with the fund that a previous credit facility would be discontinued" and that it would be replaced by a standby credit."

The Prime Minister's statement coincided with a claim from the epposition Peoples National Party that there was no agreement between Jamaica and the fund for a standby credit facility. The PNP statement said it had learnt thot the IMF told Jamaica it would be prepared to discuss the standby facility if the government devalued the island's currency.

In his latest statement, Mr Seaga repeated that Jamaica would have access to funds from the standby facility between next month and March of 1985.

The statements came as voters in six of the island's 60 electoral constituencies prepared to vote in yesterday's general election. Mr Seaga's Jamaica Labour Party has already taken the other 54 seats as its candidates were returned unopposed following a decision by the PNP not to contest the election.

Fund chief defends tough programmes

By Stewart Fleming in Washington

MR JACQUES De LAROSIERE, managing director of the International Monetary Fund, yesterday launched o strong defence of the IMF'a tough economic adjustment programmes for debt-burdened countries, saying that debtor countries that have run into financing difficulties "bave no alternative but to adjust."

Responding to criticise that in an environment of slow economic growth, the economic restraint which IMF programmes entail may be self-defeating and add to recessionary influences in the world economy, Mr De Larosiere said: "Because of the limited and temporary nature of IMF financing, the fund cannot play an anticyclical role that would be sufficient to turn tha world economic situation around."

The conditions under which the IMF lends to its members ahve to be related to several factors, inclnding the serlousness of the country's predicament, the world trading climate and the availability and terms on which country's can got financing, Mr De Larosiere stressed.

These factors which explain why the adjustment facing many debtors has been such an uphill struggle," he said. Not only have countries begun their their adjustment policies belatedly, forcing them to imolement policies "in circumstances that are sometimes socially and politically hard to bear," they are also adjusting in an unfavourable world trading climate

He added that the magnitudo of adjustment meant that worldwide recovery from recession would be "slower than many would like" and called for "reasonable terms" on credit to heavily indebted countries.

Hugh O'Shaughnessy, in St George's, describes the painful choices facing the island after the invasion

Shell-shocked Grenada looks for a new way

Sir Paul Scoon

THE CULT of Maurice Bishop, hero and martyr, was launched quietly this week on the streets of Grenada, where the Prime Minister met his death before a firing squad of his own People's Revolutionary Army on October 19.

Badges commemorating the dead leader and carrying his photograph appeared on the dresses and jackets of Grenadians, coincidentally or not, just as the bulk of the U.S. combat troops which invaded the island on October 25 flew out in their Galaxy transports from Point Salines airport.

A contingent of some 300 military police and other personnel will remain on the island to co-operate with the force of some 300 men from seven nations of the Commonwealth, Caribbean, Jamaica, Barbados, Antigua and Barbuda, St Vincent and the Grenadines, St Lucia, St Kitts-Nevis, and Dominica. This force will help the 370 men of the Royal Grenada Police Force maintain the rule of Sir Paul Scoon, the Governor-General, until elections are held next year.

Just after the last batallian of the 82nd airborne division quit Grenada, the bugo roll-on roll-off vessel, Cygnus, of tha Lykes line left St George's barbour with much of the vast quantity of impedimenta which the troops brought with them during their invasion.

The 110,000 Grenadians are now without most of the soldiers whose arrival thousands of them so enthusiastically welcomed, and are having to face the prospect of making their own decisions again in a society shaken to its core by a revolution, a military putsch, and a sbort bnt bitter war.

The process is going to be painful. The difficulties were underlined by the arrival this week of o mission from the International Monetary Fund. As it held its first meeting with Sir Paul's Advisory Council, officials and foreign consultants were trying to piece together the accounts during the last three months of People's Revolutionary Government rule, when there was an acute cash flow crisis.

The empty treasury has not been helped by the IMF's decision not to pay out tho November tranche of a $14.1m extended fund facility agreed last August. Grenadian officials charged that the Fund acted illegally, but it replied that it needed to take account of the change of government. Though IMF money is expected to be restored before long, satisfying the IMF's auditors is likely to be an exhausting process for a Government which is sbort of expertise and facing a thousand other problems.

Sir Paul and his advisers, for instance, must decide how far they want to purge the civil servants of the Bisbop Government, which could risk an adminstrative breakdown, how far they want to cut or alter the social and education programmes left by Mr Bishop, risking public discontent, and how far they can reduce Government expenditure, which Sir Paul clearly wants to do, without pushing the unemployment rate over 50 per cent in some villages.

Decisions will have to be made, too, about how to deal with the perpetrators of the October massacre of Mr Bishop and his supporters carried out by his ideological rivals, many of wbom are now lodged in Richmond Hill prison overlooking the city.

The future of the Point Salines airport, nearly completed by a consortium which included a Cuban construction team, a Finnish electronics company, a U.S. dredging concern, Plessey of the UK, and the Grenadian Government, also must be delermined.

The airport has been recognised for decades as necessary for the development of a modern tourist industry, and is hoped for daily by those unfortunate cnough to have to negotiate the potholed, twisting road across the mountainous centre of the island which links St George's with the tiny, inadequate airport at Pearls, on the east coast.

The new airport is virtually finished, and a decision about how the completion should be effected and paid for will be taken by a tripartite committee of the Grenadian Government, Plessey, and the U.S. Agency for International Development, whicb is to be convened bere next month.

The U.S. group is in a difficnlt position, as the Reagan Administration during the Bishop era constantly attacked the project, alleging that it was no more than a Cuban-Soviet strategic gambit.

Not the least of the Council's problems is the election scheduled for next year. Mr Herbert Blaize, leader of the Right-of-Centre Grenada National Porty, is expected to stand for office ogain and there are persistent rumours that Sir Eric Gairy, the Prime Minister whom Mr Bishop toppled in March, 1979, is about to return.

His record for fiscal irresponsibility and primitive terrorism, catalogued by successive commissions of inquiry appointed by the Crown in colonial times, has not dulled his image among the bedrock of Grenadian voters, who continue to support his now-dormant Grenada United Labour Party.

The Grenada Democratic Movement, an exiled group which is believed to have strong support in the U.S., is about to launch itself and a former Gairy supporter, Mr Winston Whyte, leader of the now-defunct United People's Party, is also expected to contest next year's poll.

Anyone who is capoble of convincing the voters that be is Mr Bishop's political heir and persuading them to vote for a Left-wing party will also present a formidable cballenge. Politics in Grenada next year promise to be almost as turbulent as they were in 1983.

As Christmas approacbes, Grenadians themselves give the impression of being shell-shocked by events. Cast into independence by Britain in 1964, their hero was then killed in 1983 and they were conquered briefly by a Government in Washington which was looked on by many as a new fatber figure. Now the troops are leaving and they don't know wbich way to turn.

Mr Charles "Tony" Gillespie, the U.S. ambassador, is still at band however. He and his staff will be trying to make sure that if the people of Grenada make s new turn, it will not be to the Left.

Latter-day Scrooge blots Reagan copybook

By Reginald Dale, U.S. Editor, in Washington

"AT CHRISTMASTIME," said Mr Tip O'Neill, the Democratic Speaker of the House of Representatives, "there always appears to be a Scrooge on tho scene." He was referring to Mr Edwin Meese, the White House counsellor and one of President Ronald Reagan's top aides, who earlier this week provoked an outcry in the ranks of Democrats and charitablo organisations with some unseasonal remarks about hunger.

Mr Meese, in an interview that has since been widely publicised, blithely stated that he had never seen "any anthoritative figures that there are hungry children" in the U.S., and suggested that some peoplo go to sonp kitchens "because the food is free and that's easier than paying for it."

The Democrats, particularly those running for next year's presidential nomination, pounced on what they saw as a God-sent opportunity

"Disgraceful," said former vice president Walter Mondale, the Democratic front-runner. The tragedy is that I think Ed Meese doesn't know any better," said Senator John Glenn, Mr Mondale's chief rival.

Mr Reagan, however, has now come to Mr Meese's defence, sharply rebuking athe media for taking the remarks out of context. Mr Reagan insists that there are very likely to be "sonp-kitchen cheats," just as there are known to be peoplo who cheat on welfare payments.

It is not the first time that Mr Meese has raised eyebrows with what has been described as his 'original perspective." Newsweek magazine reports that after the October truck-bombing that killed 240 American servicemen in Beirut, he told a Newsweek reporter: "The President can hardly be held responsible for what happened in Lebanon. Ho didn't drive tha truck."

Argentina announces new forces chiefs

BY JIMMY BURNS IN BUENOS AIRES

THE ARGENTINE Government has confirmed the appointment of General Julio Fernandez Torres as the Head of the Joints Chief of Staff and General Jorge Arguindeguy, Admiral Ramon Arosa, and Air Force Major General Thomas Waldner as the new forces chiefs. The move involves the forced retirement of nearly 50 senior officers.

The appointments follow the announcement of a major purge of the military hierarcy as part of the civilian Government's efforts to put the ormed forces firmly back in the barracks after nearly half a century of permanent intervention.

According to a new command structure drawn up by the radicals following the dissolution of the junta, 55-year-old General Torres will bold the most senior military post after President Raul Alfonsin, and his civilian Minister of Defence, Sr Raul Borras. A new military reform law, shortly to go before Parliament for approval, will confirm Sr Alfonsin in his constitutional role as Supreme Commander of the Armed Forces. Sr Borras will take charge of the details of military policy with control over promotion, troops deployment and military budgets. He will also take charge of the military industrial complex.

The new joint chiefs of staff have been picked from a small group of officers who have bad little direct public involvement either in the repression which followed the 1976 coup, or the conduct of the Falklands war with Britain.

General Torres clashed with the country's former President Leopoldo Galtieri when be refused to send his airborne division to the Falklanda towards the end of the war. Admiral Arosa, the former bead of the Presidential household, gave an outspoken interview to the BBC, in which be was critical of the Government's conduct of the war.

Bolivian cabinet quits after strike

The Bolivian cabinet has resigned after a 48-hour general strike that paralysed the country's economy, Reuter reports

Sr Ortiz Mercado, Foreign Minister, said the move was intended to allow the formation of a government of national unity and establish a political and economic truce with the opposition.

In their letter of resignation to President Hernan Siles Zuazo, the 18 ministers accused the opposition-dominated Senate of planning a "constitutional coup"

Late debt payments by Caracas angers bankers

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

SR. HERNAN OYAZARBAL, Venezuela's cbief debt adviser, drew vociferous complaints about the country's record on late debt payments when be addressed a meeting of bankers in London's Dorchester Hotel yesterday.

Together with Sr Umberto Penalosa, Director of Planning at the state oil company, Petroven, Sr Oyazarbal is on a world tour to discuss Venezuela's economic outlook with commercial bank creditors.

The London meeting quickly degenerated into a string of protests about the inability of public sector bodies, especially the development agency Corporacion Venezolana do Fomento, to pay their debts on time.

In a rare display of animosity the 70 bankers present actually applauded wben one of their number told Sr Oyazarbal he was not satified with the reasons given for the late payments at o time wben Venezuela still bas considerable foreign exchange reserves.

Sr Oyazarbal, who has been advising the outgoing administration of President Luis Herrera Campins, blamed the late payments on constitutional and legal problems within Venezuela.

U.S. steelworkers reject national deal on cuts

BY PAUL TAYLOR IN NEW YORK

THE United Steelworkers Union yesterday firmly rejected tho possibility of further nationally negotiated wage and benefit concessions. However, talks are continuing on a local level.

The union's statement followed U.S. Steel's request last week for further concessions from 4,700 workers at five U.S. Steel plants.

U.S. Steel warned that because of its competitive disadvantage on wage costs, the five plants might be partly or totally closed down, unless the steelworkers agree to further contract concessions.

The company, the biggest steelmaker in the U.S. is expected to announce o re-alignment of its steel operations before the end of the year. U.S. Steel made the warning in letters sent out to the workers ot it Cuyohoga works near Cleveland, South Works in Chicago, Fairfield Works near Birmingham, Alabama, Johnstown Works in Pennsylvania and Trenton Works in Trenton, New Jersey.

U.S. Steel is seeking further manning level reductions at South Works and Fairfield and a 25 per cent reduction in wage and benefit costs that would lower employment costs to abont $16 an bour from $22 at the other three plants.

TECHNOLOGY

EDITED BY ALAN CANE

HIGH DEFINITION TV WAITS ON THE ARRIVAL OF DIRECT BROADCASTS FROM SPACE

Why satellites mean bigger and better television

BY PETER MARSH

YESTERDAY'S expression of uncertainty by the BBC over whether it will go ahead with satellite television will disappoint TV addicts who want belter, bigger pictures on their screens.

The introduction of higher-quality TV pictures over the next few years will he closely allied to the advent of satellites that carry the broadcasts. Satellites offer the most promising way of relaying the extra information needed for clearer images.

Satellite transmission will be accompanied by changes in the characler of the TV set itself, which is in the early stages of a vivid metamorphosis.

By the end of the decade, the bardware will no longer be simply a passive receiver of radio signals. Instead, it will be packed with electronic circuitry that processes the signals in various ways, most noticeably to improve the quality of pictures.

Exactly bow the world's TV engineers will manage tho transition to better-quality pictures is still in the melting pol. Explains Mr Charles Sandbank, head of the BBC's research department, "Video communications are at an explosive stage. We have to make some agonising decisions over how we will proceed over the next 10 years."

The most significant result of higher-quality pictures is that TV screens will become much larger without any loss of resotion. Thus the 40-inch set will probably be common by the end of the decade.

Some viewers may even want still bigger pictures that advaoces in flat-screen technology make possible. In the fashionable housebolds of the 1990s, such screens could hang on the walls.

Today's TV sets do not do justice to films made for the cinema and to some outside-broadcast events such as soccer matches. If people are fully to enjoy such spectacles, TV sets must certainly be made wider. The ratio of width to heigbt in today's TV sets is 4:3. Viewers would be more satisfied if this were 2:1.

To improve the quality of pictures, engineers require transmission techuiques that can carry more information. In technical terms, the engineers need greater "bandwidth."

Because of demands by other users of the airwaves, broadcasls using terrestrial transmitters must be crammed into a frequency space of 8 MHz. Satelllite transmissions, however, will make possible TV channels in which the handwidth is 27 MHz.

Eveo allowing for the fact that satellite broadcasts will use frequency modulation, which takes up more bandwldth than the amplitude modulation in which TV from ground transmitters is sent, this gives extra frequency space into wbicb engineers can pack more information.

The extra bandwidth, howevor, is not sufficient for engineers to increase significantly the number of lines of picture elements sent from the transmitter. Hence a key part of any move to higher-definition TV is what happens inside the TV set itself.

Here, electronic memories will store momentarily the information sent hy the radio waves. TV pictures comprise narrow sections traced out by a spot beam of electrons. In Britain, the TV signal contains 625 lines, half of which change 50 times a second.

One way to improve picture quality is to increase the number of lines. Hence the electronic chips could memorise for a split second the information in the 625 lines. The chips would thon huild up a set of "phantom" strips of electrons to insert between those that had actually been sent.

The memory would do this by "guessing," on the hasis of the data in the existing lines, what would he traced out by any extra swathes of the electron beam. In effect, the hardware would fool the viewer into thinking that the transmitter had relayed a high-resolution picture.

In another technique, the electronic memory could store a complete "frame" of the full number of lines in the picture. It would tben transmit this two or more times as quickly.

This would produce a clearer picture, getting rid of the "flicker" effect which sometimes ruins pictures. Because of bandwidth limitations, engineers cannot increase the rate at whicb frames are transmitted from the TV studio.

Technicians can already manage sucb tricks in the laboratory. But the extra memory and control circuitry that the TV set requires would cost well over £1,000, much more than the most avid aficionado would pay for better pictures.

Over the next five years, however, the cost of the memories will come down as they enter mass production. At this point electronics companies will find it is a commercial proposition to insert boxes of electronics into sets for more discerning viewers.

Already, TV equipment suppliers are puttmg chips in their sets to do less ambitious tasks. These chips, for example, store incoming pictures for a fraction of a second and remove "noise" to produce clearer images.

Philips and Sony say they will make such improvements. ITT is following a similar strategy with its Digivision, which the company will sell in Britian from March.

The hardware contains a digital memory that takes into account imperfections in the receiver to give a clearer picture. The memory will add a further £70 or so to a £500 set.

The advent of satellite broadcasting will help in another way the move to better pictures. New formats in which the TV information is coded will make it easier for electronics in the TV set to process signals.

For example, the MAC standard for satellite broadcasts, developed hy engineers at the Independent Broadcasting Anthority, is particularly suited to digital processing.

The standard uses modern multiplexing techniques to split up the chrominance and luminance signals carried in TV transmissions. By contrast, in the PAL standard used in Britain for terrestial broadcasts, these signals are merged.

By the end of the decade, broadcasters will probably agree on a variety of standards that apply lo the way TV signals from satellites are handled at the studio and at the receiver in addition to during transmission. That is the belief of Mr Sandbank of the BBC's research department.

He thinks that with electronic memories built into equipment at each stage of signal transmission, it will be possible easily to convert pictures between different formats. This in the same way as, with large computers in studios, engineers find it simple to convert TV programmes made according to the American 525-line standard into Britain's 625-line format.

Mr Tim Johnson, author of a report* on high-definition TV earlier this year, has put figures on the quantity of business that sets with electronics will generate. He says that in the 1990s people in Western Europe, the U.S. and Japan will buy each year 10 million of these sets worth U.S.$10 billion.

Further steps in the direction of better pictures, represented by new formats to give more lines to the images, will be seen only much later, according to Mr Johnson. This is because of the problems of accommodating the extra lines with existing transmission techniques, even using satellites. Hence the report says there are "serious objections" to a format proposed by the Japanese hroadcasting anthority, which uses 1125 lines, becoming a recognised standard.

** Strategies for higher-definition television by Tim Johnson, Orum, 14 Penn Road, London, N.7.*

Bigger, clearer pictures are on the way for TV addicts—but not for a while

MATERIALS

Rekindled interest in 'Jammy' fluids

BY ELAINE WILLIAMS

A REMARKABLE liquid which turns solid when an electric current passes through it could be "as revolutionary to mechanical engineering as the transistor was to electronics." This is the belief of Dr Stangroom, a research fellow at Sheffield University who has been involved in the development of "Jammy" or ER fluids for several years.

Potentially, these have uses throughout industry ranging from control valves in the process industry to robots and vehicle suspension systems. The advantages of ER fluids is that they operate at very low power and have a rapid response time compared with conventional hydraulic and electrohydraulic systems. Dr Stangroom said that in tests the ER fluid developed at Sheffield University could "freeze" and "unfreeze" in about one millisecond.

The University of Sheffield has carried out work in the field since 1967 mainly under the guidance of Dr Jim Stangroom. Last May, Dr Stangroom and two other researchers at the university decided to set np a company, ER Fluid Developments, to exploit commercially the accumulated research in the subject.

They found private funding for the company and several organisations, including a large chemical group, are interested in their research. Dr Stangroom sees the company as acting as a bridge between companies specialising in diverse fields

Initial users are likely to be small companies where ER Fluid Developments will provide a consultancy service or become involved in a joint venture.

ER Fluids, more properly electro-rheological fluids are something of an enigma. Their properties are well classified but no one is really sure why they can be "frozen" using a voltage change without a corresponding change in temperature.

The effect was first noted by William Winslow, an American scientist in 1947 but little interest was taken until the late 1960s.

In reality ER fluids are slurries. They are milky suspensions of non-metallic particles in oil. When a voltage is applied to this concoction the fluid "freezes" and acts as if it were solid. Winslow used a silica gel in mineral oil but this had two disadvantages; the suspension settled out if left for a short period and the silica gel was so abrasive that it wore away equipment in which it was used.

Today researchers have developed better mixes of materials replacing silica gel with synthetic solids and substituted base liquid instead of the original mineral oil. However, workers in the field are reluctant to reveal the exact nature of the new ER fluids.

In Britain interest in ER Fluids was rekindled by the Ministry of Defence and Sheffield University though some basic research has been supported by the Science and Engineering Research Council. The MoD commissioned another company, Laser Engineering (Developments) to look into the possible military applications of the material. Laser Engineering is also backed by a group of aerospace and oil drilling equipment companies.

Other uses are in valves in the process control industry and they form the muscle power on all kinds of robot movement systems. Laser Engineering is developing aircraft landing gear which can be used on rongh airstrips, anti-skid brakes, fluid couplings and vehicle suspension components.

COMPUTING

Document composing

BANKERS IN the U.S. may soon be able to compose their own commercial documents on a compnter terminal and then send the text across the Atlantic for printing via a satellite link.

This possibility emerges as a result of a joint venture between two companies that specialise in printing financial documents. Oyez of London and Packard Press of New York have set up a computer link between type-setting machines on either side of the Atlantic.

With the connection, someone in New York can write a commorcial or legal report and send a draft to a colleague in London. When both people are happy with the product, the text is transmitted to London where, within a matter of minutes, it is ready for printing.

The speed of the technique promises to be important to the international banking and legal community. In international financial transactions, time is often critical.

When, for example, a firm of solicitors in the U.S. issues documents that support a takeover hid for a London-based firm, it is important that the information reaches Britain as quickly as possible. The same applies if a bank issues a prospectus, say, for the issue of shares on an overseas stock market.

Printers employed by Oyez and Packard Press will normally compose the copy with computerised typesetting machines. But, say the companies, bankers or solicitors ultimately may be able to type their own copy with terminals in their offices.

The terminals would be linked by telephone lines to the printing machines at the premises of Oyez and Packard Press.

The two companies, which have spent £200,000 on the new venture, say that a direct computer link between typesetting machines is a better commercial proposition than the use of facsimile transmission.

In this, copies of documents may be passed across the Atlantic by telephone line but the quality may be affected by electrical noise. Furthermore, even if the quality of the copied documents is good, the text has to be type-set again once the office on the other side of the Atlantic has received it, increasing labour costs.

David Butler, sales director of Oyez, says he expects that initially about 1,000 pages of financial information will be sent each month across the Atlantic via the satellite.

UK NEWS

Boost for economy signalled

BY PHILIP STEPHENS

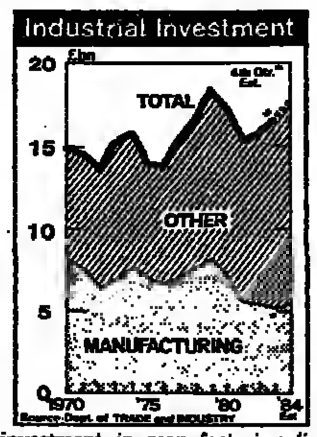
PROSPECTS of Britain's economic recovery continuing well into next year have received a boost from two separate official forecasts.

The Department of Trade and Industry said yesterday that it expected investment in manufacturing, construction, distribution and selected service industries to rise by a hefty 7 per cent to £17.7bn next year compared with an estimated 4 per cent increase in 1983.

And for the first time in four months, the official indicator which predicts prospects for the economy in 12 months' time showed a slight rise in November, according to the Central Statistical Office (CSO).

The investment forecast, based on the department's own survey of businessman's intentions, shows a steep rise in optimism since May when it forecast a 3 to 4 per cent rise in 1984.

The department said it expected investment in manufacturing (including leased assets) to rise even faster to register a 9 per cent increase next year, in sharp contrast to the 4 per cent drop expected for 1983.



The forecast is more optimistic than the Confederation of British Industry's latest survey which sees a rise of about 5 per cent.

Investment in manufacturing has fallen about 35 per cent over the last four years.

The economic recovery has so far been based largely on increased consumer spending, and the Government hopes that this will soon be translated into higher investment and higher exports to sustain the rate of growth.

The department said its first estimate of investment for 1985 suggests a further, though smaller, increase in that year for overall investment, with manufacturing remaining relatively stable.

The other encouraging signal from the CSO was that its longer leading indicator rose to a provisional 110.0 (1980=100) from a revised 109.6 in October.

Consecutive falls in this indicator from July had revived fears that the recovery might begin to fade next year. But the CSO said a resurgence in share prices and a continued drop in interest rates appeared to have reversed the trend.

The shorter leading indicator, which attempts to predict conditions six months in advance, has shown little change from July with its index for October, the latest month available, at 107.3 (1980=100) compared with 107.8 the previous month.

The coincident indicator, which shows the present state of the economy, rose to 98.9 in October from 97.9 in September.

Latest figures for the lagging indicator, which mark turning points in the economy a year after they have happened, show it at 89.5 in September against 89.2 in August.

Cabinet orders 2% electricity price increase

By Peter Riddell, Political Editor

THE CABINET yesterday instructed Mr Peter Walker, Energy Secretary, to raise electricity prices by about 2 per cent next year, despite his continuing opposition.

Mr Walker's view that electricity industry could meet its financial targets through savings by efficiency without increasing prices was overruled.

The proposed rise is intended to be seen as an olive branch to Mr Walker compared with the original proposal of a 3 per cent increase.

Mr Walker has also been asked by the Cabinet to carry on discussions with the electricity industry aimed at providing clear evidence of the suggested efficiency savings.

The broad decision, however, represents a victory for the views of Mr Nigel Lawson, the Chancellor of the Exchequer, whose relationship with Mr Walker, his successor as Energy Secretary, has become strained over this and other issues.

Some MPs believe that Mr Walker has overstretched himself by making his criticism of the Treasury too apparent.

The Treasury feels that efficiency savings will be a bonus since higher prices are justified to ensure that the cost of electricity does not remain out of line with that of alternative energy sources.

'Misunderstandings' caused nuclear leak

BY DAVID FISHLOCK, SCIENCE EDITOR

"GENUINE misunderstandings between managers" were responsible for the radioactive contamination last month of 25 miles of the coastline of Cumbria in north-west England, Mr Con Allday, chairman of British Nuclear Fuels (BNFL), admitted yesterday.

Mr Allday, speaking at the Sellafield nuclear fuel reprocessing factory of BNFL responsible for the accident, said a mistake had clearly been made.

But no one, either within the company or among the public, had been harmed, and the company had never exceeded the levels of radioactivity it is permitted to discharge into the Irish Sea.

"While I must reserve my final judgement until the reports are published, I am at present satisfied that people involved acted conscientiously and in good faith."

He refused to dismiss or suspend anyone on the basis of his inquiries so far. But he announced operating changes within the factory to prevent the risk of radioactivity being washed back ashore.

The accident was serious both for the company and for the nuclear industry and he much regretted it.

There is no doubt that Whitehall and the Government are taking a serious view of the accident, because of the way it has shaken public confidence in an indispensable part of the UK nuclear industry.

Reports compiled by two Whitehall regulatory agencies, the Radiochemical Inspectorate of the Department of the Environment and the Nuclear Installations Inspectorate, provide a picture of events similar to that described by BNFL, but they are more critical in their conclusions.

It is likely that the ministers responsible will have no choice but to criticise BNFL publicly when their reports are published, probably next week.

The accident arose because the factory failed to separate a slick of solvent and radioactive particles from weakly radioactive effluent before it was pumped into a sea tank for discharge through a 1.5-mile pipe into sea during annual maintenance operations in November.

The company anounced two measures it had taken to prevent a recurrence:

● A ban on discharges of the solvent used in the reprocessing operation into prevent future errors in liquid transfers.

● A modified procedure for emptying the sea tanks, and extra controls on the sea tanks.

Forte raises stake in Savoy Hotel

By David Dodwell

LORD FORTE revealed yesterday that he has pressed forward his long-standing interest in the Savoy Hotel group by buying a further 4 per cent stake through his hotels group Trusthouse Forte.

The purchase – which lifts his stake in the Savoy to 69 per cent – was from S.G. Warburg, the investment management arm of Trusthouse Forte's financial adviser. After this disclosure, the Panel on Takeovers and Mergers, the City of London's corporate watchdog, said the subsidiary would be deemed to be acting in concert with Trusthouse Forte.

Since early in 1981, Lord Forte has fought hard to win control of the Savoy. In June that year, his £67m bid failed even though he had won control of 62 per cent of the company's equity.

This anomaly arose because the majority of the Savoy's high-voting "B" shares remained in the hands of Savoy directors or shareholders allied to them. As a result, Lord Forte's shareholding was worth only 36.6 per cent of the Savoy's voting power.

Early last year, Lord Forte renewed his efforts to influence the direction of the Savoy by trying to put Trusthouse Forte's chief executive on the board.

Talks on wages likely to be tough

By Philip Basset, Labour Correspondent

PAY RESEARCH organisations are forecasting tough wage negotiations in some sectors as employers continue to try to maintain the downward trend of pay deals despite improved trading.

Industrial Relations Service (IRS), in its latest Pay and Benefits bulletin to be published next week, says that settlement levels are falling, and show signs of continuing to do so, while the rate of inflation is likely to remain static or even rise.

This will lead to a narrowing of the gap between pay and price rises, leading to a squeeze in real take-home pay, making for difficult negotiations in some areas.

IRS says that the Government Actuary's assumption of 6.5 per cent increases in average earnings over the next two years implies forthcoming increases in basic pay levels of about 5 per cent.

This level would confirm IRS's conclusion that more than three quarters of pay deals since July have been for lower rises this year than last. The majority, according to IRS, have been in a range between 3.5 and 7 per ceot, with a median settlement level of 5.2 per cent.

Another pay research group, Incomes Data Services, suggests that the novel problem for many companies of "managing success," with consequent pressure for higher settlements, is likely to continue in the new year.

It identifies airlines and engineering companies producing consumer durables as areas in which pressure for higher deals is still likely to be felt.

BBC reprieve for satellite broadcast plan

BY RAYMOND SNODDY

FIRST SIGNS that the BBC's direct broadcast by satellite (DBS) plan might be saved emerged yesterday when the BBC's board of governors decided against an immediate postponement of the project.

The board said it recognised "the great difficulties which remain to be overcome by the BBC, industry and others in establishing a viable DBS service."

It concluded, however, that the BBC "should continue to explore all possibilities which will lead to the setting up of a British DBS system."

The BBC's decision will come as a relief to ministers after a week of signals from the BBC that the board of governors might be on the verge of deciding on a postponement which could have killed the project.

Government efforts are now likely to concentrate on encouraging the BBC to get together with the Independent Broadcasting Authority (IBA) to see if the costs and risks of a DBS operation could be shared.

The Home Office said yesterday it would find it "highly desirable" if the BBC and the IBA were able to go jointly to United Satellites (Unisat) the consortium building the three satellite system for the BBC.

Time is short because Unisat has already told ministers they can not continue spending money on the project beyond early January without financial guarantees. It is still not clear what guarantees could be given to Unisat – made up of British Aerospace, British Telecom and GEC Marconi – in the time scale involved.

But the IBA indicated yesterday that it would also be interested in considering "all possibilities."

Mr John Whitney, managing director of the IBA, said yesterday: "There may well be room for some forms of co-operation and we would be willing to explore these."

In the meantime, the IBA is going ahead with plans to offer two channel contracts for a DBS service which could begin in 1987.

The Home Office has still not issued technical specifications for DBS home receiving equipment and many believe, whatever happens now, it is already too late to start the BBC's service on schedule in the autumn of 1986.

Mr Ivor Cohen, managing director of Mullard, the electronics company, believes there is not enough time left to design the microelectronic circuits for the receiving equipment.

"If we don't get detailed specifications within two to three months we shall be running out of time for 1987 and corners would have to be cut to make that possible," he said.

Unisat has already spent or committed about £50m over the past 18 months, although the BBC has signed only heads of agreement. The consortium has made clear to Mr Norman Tebbit, Trade and Industry Secretary and Mr Leon Brittan, the Home Secretary, that it can no longer sustain costs which would rise sharply in the new year.

The Government recently promised its "good offices" in trying to find a suitable partner for the BBC to cut the cost and risk of the operation.

Sotheby's rewards its new owner

By Ray Maughan

SOTHEBY'S, which claims to be the world's largest and oldest fine art auctioneer, has begun to reward the investment made by Mr Alfred Taubman, the U.S. property multi-millionaire, when he acquired the business for £87m this autumn.

Mr Taubman said yesterday that Sotheby's worldwide net auction sales for the September–December quarter would be at least 78 per cent higher than the same period last year.

The group has recovered all the previous year's losses with something to spare. Against the deficit of £3.1m in the year to August 1982, it made pre-tax profits of £5.1m in the following 12 months.

The new owner has already made several appointments to strengthen the executive management team notably Mr Henry Ford II as vice-chairman, Mr David Ward, an accountant with a self-confessed lack of knowledge of the art world, as the new group managing director based in London, and Mr Max M. Fisher, the former chairman of United Brands of New York City.

Several other business and art world luminaries have now been appointed to the board as non-executive directors. They include Baron Hans Heinrich Thyssen-Bornemisza, described as an industrialist, museum trustee and international art collector, and Mrs Ann Getty, a board member of the National Endowment for the Arts and San Fransisco Opera.

De Lorean venture 'could have succeeded'

BY JOHN GRIFFITHS

THE DE LOREAN sports car company, which collapsed last year, could still be producing 7,500 cars a year at its Belfast plant, with 1,200 to 1,400 employees if it had been modestly run, Sir Kenneth Cork, the joint receiver of the venture into which the UK Government put £78m, told the House of Commons Public Accounts Committee.

Instead, he said, it was run in an expensive manner out of proportion to its size, with all the costs of setting up the U.S. and Northern Ireland companies coming from the British side.

The committee was told that claims against Mr John De Lorean aod his U.S. company totalled $800m.

Sir Kenneth also traced the tortuous route taken by part of the $17.5m which disappeared from a Swiss company, GPD Services, and which should have paid Group Lotus for developing the car.

In separate evidence, consultants McKinsey and Co., said both the UK Government and the De Lorean company were responsible for a situation in which the British taxpayer had come off worst

Both Sir Kenneth and McKinsey agreed that closer controls on and by the company could have left it operating today.

Sir Kenneth said that, while the receivers were not pressing to bring the car back into manufacture, "people are still coming forward with proposals to make the car." The receivers still had the plant (on which Sinclair, the computer company, has taken an option to build an electric car) and tooling, "and we think we have got the rights to the car."

But he indicated that any such venture would face enormous difficulties. "We have still got the marketing problem," he said.

His evidence dealt at length with GPD Services, a Panama-registered company through which De Lorean Motor Company contracted Lotus to develop the sports car.

"Not one penny" of the $17.5m paid into GPD – $5.15m from the Belfast company and most of the rest by private U.S. investors – ever reached Lotus.

Sir Kenneth said that had the company continued trading, the chances were that the disappearance of the $17.5m might never have come to light.

Money supply growth still slowing down

BY PHILIP STEPHENS

THE RATE of growth in money supply is slowing down, but two of the main monetary aggregates are still outside the target ranges set in this year's budget, the Bank of England confirmed yesterday

It said that the narrow measure M1, Private Sector Liquidity 2 (PSL2) and the broad measure sterling M3 all grew by 0.6 per cent in the November banking month. This was in line with earlier estimates.

The slowdown followed a surge in October when the three measures rose steeply by between 1 and 1.5 per cent. November's figures are viewed with some satisfaction by the authorities, since if the trend is maintained the aggregates will probably fall back within the target range.

At present only sterling M3, which contains all bank deposits, and has been growing at an annual rate of 10.5 per cent, is within the 7 to 11 per cent growth, guidelines set for all three measures for the 14 months from February this year.

M1 has been growing at an annual 12.1 per cent and PSL 2, which includes deposits with building societies, has been rising by 12.2 per cent.

The Government has been taking a fairly relaxed view of the overshoot, however, pointing out that the figures have been distorted by the pre-general election surge in public spending.

If the last six month's figures are annualised, the three targeted definitions all fall within the guidelines.

Analysts in the City of London said that sterling M3 had been held within its target range only by the Government's aggressive funding policy in the market for Government stocks.

Brokers Phillips and Drew said the authorities would need to continue that policy if the measure was to remain within its guidelines.

Bank lending to the private sector rose £1.22bn in November, lower than the £1,56bn increase in October, but above an average of slightly under £1bn earlier in the year.

FINANCIAL TIMES SURVEY

Friday December 16 1983

Energy Management

Ten years after the first oil crisis British energy conservation is finally proving its effectiveness. However, the nation's energy efficiency record is still among the worst in Europe and neither government nor industry can afford to be complacent

By Maurice Samuelson

TEN YEARS AGO this month, Western Europe was reeling under the sudden impact of a 25 per cent cut in oil deliveries by the Arab countries.

In Holland, briefly subjected to a total boycott, the *Government banned cars on Sundays and the streets* were crowded with pedestrians, cyclists and even horse-drawn vehicles.

In Britain, frantic motorists drained garages dry, there was a 50 miles per hour speed restriction on motorways, and Mr Peter Walker, Trade Minister in the *Government of Mr Edward Heath, told oil companies to* cut deliveries by a tenth.

When the industrialised countries finally caught their breath, they began to realise that the events set in train by the Yom Kippur War were irreversible, and that the days of cheap oil were unlikely to return quickly, if at all.

They also acknowledged that although the Arab-Israeli hostilities had triggered off the oil price explosion, it was not its underlying cause. For several years, there had already been a growing realisation, by both producers and users, that the world's oil resources were finite and that the West was becoming excessively dependent on Middle East reserves.

A decade later, much has been done to correct this imbalance, so much so that the oil market is currently dominated by lack of demand rather than constraints on supply.

Instead of being able to command higher prices at will, the Opec countries are desperately trying to prevent prices from subsiding although they are anxious to maximise their own sales to pay for their large current account deficits.

This reversal of fortunes has three main causes:

● the continuing economic recession in the industrial world;

● the steady expansion of energy supplies outside Opec;

● the cumulative effectiveness of energy conservation measures.

Since 1973, about 6m barrels of oil a day have come into production from the North Sea, Alaska, Mexico and other non-Opec areas. There has also been a steady move to other fuels, especially coal and nuclear, for electricity generation.

Coal is also replacing oil for raising steam in industry and, looking further ahead, it is again being considered as a feed stock for chemicals, for synthetic natural gas and for oil itself.

Conservation, the third weapon in the consumers' armoury, is also finally proving its effectiveness, justifying its description as "the fifth fuel."

In the U.S., the past decade has seen energy consumption fall by 19 per cent as a proportion of Gross National Product. U.S. motor cars are still "gas guzzlers" compared with those in other countries, but today's U.S. models use only half as much gasoline per mile as they did in 1973.

Yet despite its growing credibility, conservation has had a chequered career. In Britain, awareness of the need to use energy sparingly only began to of the Iranian oil shutdown in gather momentum in 1977. That was when Mr Tony Benn, the former Energy Secretary, launched the snappy "Save it" slogan, with its echoes of war-time exhortation.

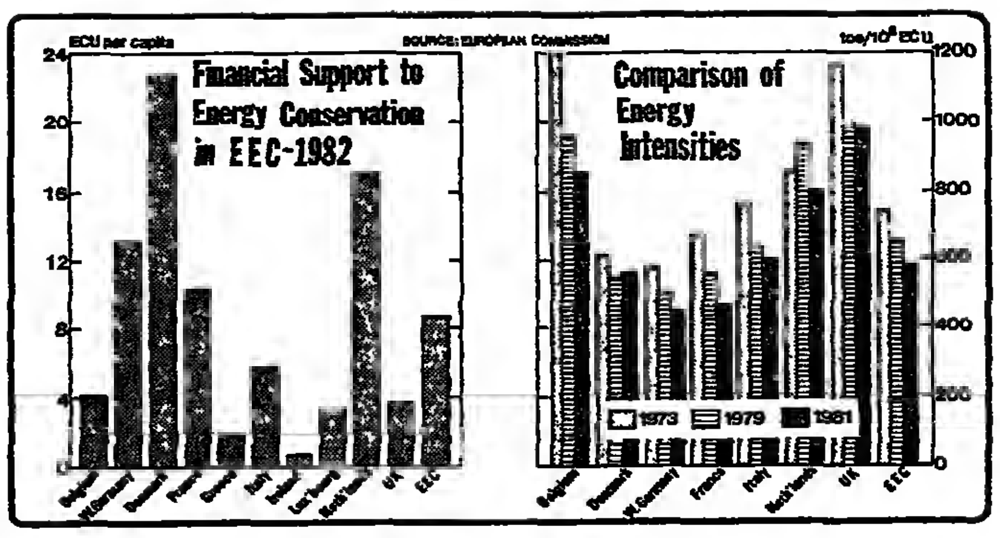
It was to take on new urgency in the subsequent oil shortage caused by the upheaval in Iran.

But as the second oil crisis wore off, so did the impact of the "Save it" movement. The incoming Conservative administration of Mrs Thatcher dropped the slogan in favour of long-winded calls to "use energy efficiently."

The change involved more than just phraseology. The new administration wanted to dissociate itself from the puritan "hair shirt" approach to fuel savings. Its view was that the level of energy usage could be left primarily to the mechanisms of the market place.

In recent months, however, Mrs Thatcher's appointment of Mr Peter Walker as Energy Secretary seems to have heralded a more constructive Government approach to energy conservation as seen in his establishment of an Energy Efficiency Office.

The message being spread by Mr Walker is that greater efficiency can play a major role in raising industry's profitability.



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Launching what he has termed "*a national crusade*," Mr Walker says that Britain could save £7bn a year by higher energy efficiency.

"We spend £100m a day and we believe that £20m of this is being wasted," he claims. The message *is being* rammed home at meetings with businessmen throughout the country over coming months.

Positive

The initial response to the campaign has been positive, partly because industry had already begun to discover for itself the rewards to be had from better efficiency, not only through better housekeeping, but also by the use of a growing range of controls which were not available a decade ago.

These now form an important and growing sector of the electronic industry in which small specialist British companies have been acquiring a high reputation. One of their most telling successes has been the contracts for energy saving devices which they have won from oil-producing countries themselves.

However, neither industry nor the Government deserve to be complacent, since, according to Dr Michael Davis, the European Commission's director for energy saving, Britain has one of the worst energy efficiency records in the Community.

In a paper delivered at a recent UK national conference on energy management, Dr Davis said that, in terms of total final energy consumption per unit of Gross Domestic Product, Britain's economy as a whole is the least efficient in the EEC, with energy consumption 32 per cent higher than the Community's average.

Dr Davis also found that British industry was the EEC's highest energy-user, in terms of its energy "intensity" for its units of added value.

Britain's public authorities also compared badly in three ways: regulations on insulation were "rarely used" in the UK; financial aids for energy saving were little more than half the EEC average; and the UK's public spending on information about energy saving was only 58 per cent of the EEC average, and only 29 per cent of the biggest spender, Denmark.

It is against that sobering background that we report on the following articles the quest for energy efficiency since the 1973 Middle East war.

Maurice Samuelson looks at how some major fuel consumers have cut costs

Direction from top a vital ingredient

THE BIGGER an energy user, the more its potential both for wastefulness and for economy.

The country's major consumers, apart from the energy-intensive industries, are national and local government, and large private ventures, such as retail chains or hotel operators.

Reports to last month's national energy management conference in Birmingham pinpointed both the difficulties and the achievements being realised in the drive to cut energy spending.

One of the most sobering notes was struck by a representative of LAMSAC, the Local Authorities Management Services and Computer Committee, which offers a wide range of support for Britain's 521 local authorities. They spend £1bn a year on energy, using some 4 per cent of the national total.

For the past seven years, LAMSAC has provided local government with a co-ordinating and advisory service on energy management. A survey it conducted last year concluded that energy costs were not yet an explicit element in the expenditure and accounting system in most local authorities, even though energy formed a significant part of an authority's running costs.

What a local authority needed most, if all the other components of energy saving schemes were to succeed fully, the conference was told, was "a comprehensive policy statement to set the scene" and the commitment of its senior administrators.

It is precisely this direction from the top which emerges as a main reason for the savings claimed by Marks & Spencer. According to Mr George Colman, the group's energy manager, the group has saved more than £30m as a result of the conservation policies started in March 1974 and savings from its 260 stores are now running at £5m a year.

He said that Lord Sieff, Marks & Spencer's chairman, is "totally involved" in energy conservation and calls for periodic progress reports, details of technical innovations, together with feedback information on systems installed and savings achieved.

Mr Colman distinguishes between initial measures which involved no cost and those requiring investment in special equipment. Among the former were introduction of lower lighting levels (this saved £½m at 1974 electricity prices); condensing refrigerated produce to fewer display cases; and lowering heating levels and reducing hot water used in central heating.

New techniques

Subsequent introduction of new types of lighting tubes developed by Philips had helped to reduce sales floor lighting costs by more than 50 per cent. A new Philips tube, known as Colour 84, gave 40 per cent more light than the natural tube used for the previous 20 years. (Thorn has also developed a tube with comparable performance.)

Marks & Spencer has also adopted new techniques and equipment in other areas. In seven stores it has fitted solar panels to pre-heat domestic hot water.

At Winchester, the recovery of heat from refrigerated plant to domestic hot water is said to have showed an 80 per cent energy saving in its first year, giving a three-year payback on investment. The system has been extended to 90 stores with others planned for the future.

Marks & Spencer, with its outstanding flair for staff management, appears in *less of* a hurry to instal electronic energy management systems. However, it now has eight microprocessors running in stores, saving about 10 per cent of energy costs plus labour costs. By the end of the year, the total will be about 20.

Compared with Marks & Spencer, the Ladbroke Hotels group appears far more interested in computer-based management systems, though this reflects its different needs rather than any difference in management. Ladbroke has installed a £170,000 system cover-

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ENERGY MANAGEMENT II

Fuel efficiency has become a vital weapon in the fierce struggle for car sales, says John Griffiths

Pace of change accelerates

THE 1973-74 oil crisis sparked off one of the relatively few revolutionary periods for the world motor industry. The revolution is continuing, having been given extra impetus by the 1979 oil price shocks. Its effects have already been far-reaching, producing cars vastly more fuel efficient than a decade ago. The pace of innovation is still accelerating. But the costs burden imposed on manufacturers, against the background of rapidly sharpening international competition and recession, has been enormous.

The European motor industry expects to spend $80bn over the next few years on new product and production equipment, in a bid to stave off a mounting technological challenge from Japan; the U.S. industry, badly caught out by the oil crisis and still struggling to produce competitive, fuel-efficient small cars, expects to spend the same amount up to 1985.

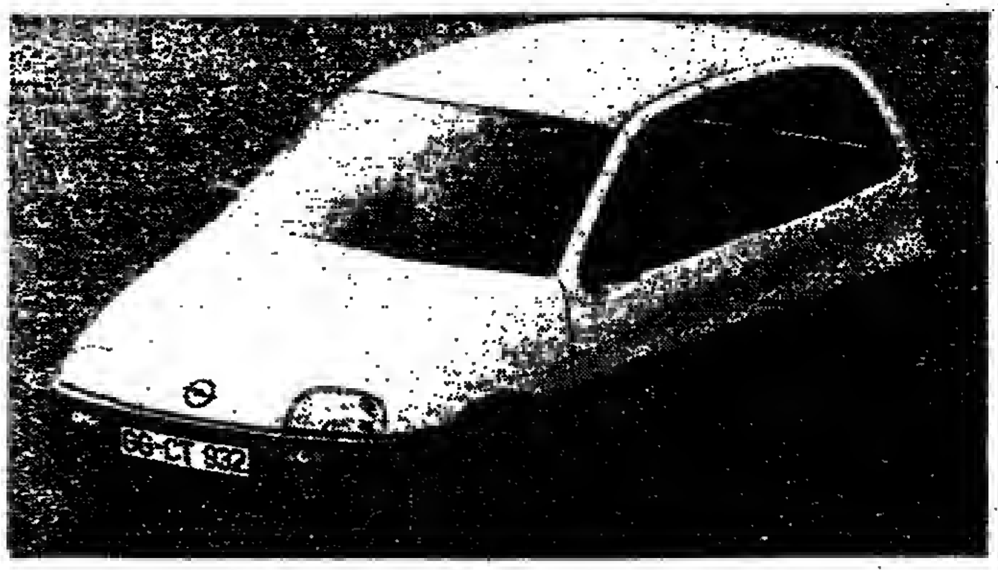
Prof Krish Bhaskar, professor of accounting at the University of East Anglia and an acknowledged expert on the motor industry, predicted at a recent London conference organised by DRI Europe that manufacturers in Europe will spend £21bn on new products alone between next year and 1989—at the same time as they face cash shortfalls of between £2bn and £4bn a year as the result of the pressures to reinvest.

They have been spending £7bn a year for the past few years—but even so, this is not enough to match the rate on new model introductions from Japan, be warned.

Just how strong the Japanese challenge has become was made bleakly evident at this autumn's Tokyo motor show.

Four-wheel steering, computer-control of most systems, including the suspension, and aerodynamic drag coefficients as low as 0.25 were features of concept cars from manufacturers like Mazda, Toyota and Nissan. Even more interesting, in terms of implications for energy resources, Nissan was showing its NX-21 experimental car with a ceramic gas turbine capable of running on a variety of low grade fuels.

Isuzu showed an all-ceramic car diesel claimed to be 50 per more fuel efficient than existing diesels and 80 per cent more efficient than equivalent sized petrol engines. It does not need radiators, fans or other cooling devices.



A fuel-efficient car of the future as envisaged by Opel, General Mntnrs' West German subsidiary

These cars of the future were lined up alongside models in current production which in themselves demonstrated just how big the strides in economy have been since the first oil crisis rolled in:

Economy

Currently, the most economical of the Japanese car crop is the Daihatsu Charade diesel with a capacity of only one litre. Daihatsu made much play of a Japanese Government test showing that it was capable of 105.4 miles per gallon at a constant 37.7 miles per hour. That is hardly a realistic figure in everyday use, but even under standard European test conditions it achieved *average* fuel consumption of 53.56 miles per gallon.

Yet a decade ago, a small car was regarded as ultra-economical if capable of averaging 30 mpg.

By the same token, a medium to large family saloon of 1973 was regarded as having acceptable fuel consumption if capable of 18-22 mpg. Yet Audi's five-seater 100 saloon, launched at the start of this year and so far the world's most aerodynamically efficient, is capable of averaging 30 mpg.

Ford, too, is on the point of launching a car which, like the Daihatsu, breaks new ground in economy terms: the Fiesta Diesel, using a 1.6 litre engine production of which began recently at Dagenham, is capable of 50.4 mpg at a constant 75 mph, 74.3 mpg at a constant 56 mph and 56.5 mpg in urban use, according to UK government test standards.

These examples of European innovation do serve to illustrate that, in technology terms, Europe currently is at least a match for the Japanese. But considering that as recently as two years ago the Japanese were regarded as inferior in virtually every aspect of vehicle design except production cost, the pace of catch-up has been such that for European and U.S. makers there are real grounds for alarm rather than complacency.

The advances that have been made to date in improved economy are derived from three main areas: aerodynamics, weight-saving and improved engine management techniques. There has been some additional help from the tyre industry, in the form of radials with markedly lower rolling resistance, a considerable consumer of energy, than even five years ago.

However, it is only since the start of the 1980s that a vehicle's aerodynamic drag resistance, its Cd, has even featured in the vehicle marketing lexicon. But it is now quoted almost as much by enthusiasm car buyers as the time-hallowed 0-60 mph acceleration figure.

Thus Audi made much play of the 0.30 Cd figure fnr the Audi 100 when it was launched—the European average is closer to 0.40—and Renault will doubtless do so for its new executive car, the 25 with a coefficient of 0.28, when it is launched shortly. There is indeed good reason for doing so—by Ford's estimates, a 10 per cent reduction in drag, say from 0.40 to 0.36, means a 6 per cent cut in fuel consumption.

Design

The design concepts for such vehicles, however, began to be mapped out as a direct consequence of the first oil crisis. They proceeded simultaneously with the major weight-saving potential offered by computer-aided design (CAD). As a recent Economist Intelligence Unit study, the Car of the Future in Wesern Europe, points out, it is difficult to overstate the role played by CAD in producing the current generation of fuel-efficient cars.

It is the single most powerful design and engineering tool ever to come within the industry's grasp, and its potential for producing significantly more efficient cars in the future has yet to be fully explored.

CAD has made possible the most efficient trade-offs between weight and structural strength. It can simulate how a design and its constituent parts will respond to every kind of stress, load and vibration, thus saving the construction of a string of expensive development prototypes.

Computer-powered structural and finite element analysis techniques demonstrate how, for example, sheet metalwork can best be creased and folded for maximum strength using minimum materials. Thus the latest generation small to medium size cars weigh some 25 per cent less than their counterparts of a decade ago.

Computer "mapping" of engine parameters, the development of electronically managed fuel injection systems, including such aspects as total fuel cut-off on the overrun, have all helped bring fuel consumption down further.

But there is still a long way to go, and the car of the 1990s will be a very different machine even from the latest models.

Ford's prediction of the typical family car of that period is that it will:

- Have a three cylinder, directly injected turbocharged diesel engine.
- The engine will be linked electronically to a continuously variable transmission which will enable the engine to operate constantly within its most effecicient revolutions range. The first such "CVT" is due on production cars next year;
- It will be significantly smaller than current comparable models, but by further developed use of CAD will have more interior space; and through the increased use of plastics and high-strength steels will be considerably lighter than existing cars.

Austin Rover has already demonstrated the potential, with its ECV 3 experimental vehicle. It is a full five-seater, with a three cylinder engine of just 1.1 litres but capable of 115mp and 0-60mph acceleration of 11 seconds.

Its typical fuel consumption of 62.6 miles per gallon is achieved largely through the paring of weight down to only 664 kilogrammes.

The fact that oil prices have eased over the past two years, with several motor industry forecasters projecting that they will remain static in real terms throughout the decade, is unlikely to slow the race for greater fuel efficiency; it has become too firmly entrenched as the most significant marketing tool in the fierce car sales struggles yet to come.

Direction from the top

CONTINUED FROM PREVIOUS PAGE

ing 15 hotels as far apart as Exeter, Cardiff, London and Fort William in Scotland.

Each hotel has been fitted with intelligent energy control and monitoring units, supplied by JEL Energy Conservation Service. These units can report to and receive commands from a central unit at the Westmoreland Hotel in London.

Ladbroke expects the system to save about 15 per cent on energy costs and to pay for itself within 16 months. The scheme attracted a government grant under the Energy Conservation Demonstration Project Scheme.

It is estimated that if successful its application through the hotel industry could save up to 30,000 tonnes of coal equivalent a year.

A computerised energy management system has also begun to prove itself for the Cornwall and Isles of Scilly Health Authority, which administers buildings across a wide area. The system is part of a conservation programme saving the authority about £1m a year, or a third of what its energy bill would have been if the programme had not been carried out.

The authority chose a centralised system supplied by Transmitton, a subsidiary of BICC based at Ashby de la Zouche.

Mr Michael Snedker, the authority's fuel efficiency officer, says: "Now, from the Truro district health authority headquarters, heating can be controlled at the furthest of our remote hospitals and health centres on the Isles of Scilly."

The system controls, and responds to, temperatures in wards, theatres, casualty and other outpatient areas, producing a stable environment for patient care.

However, this is only the latest, and most spectacular, part of the programme begun in 1978-79, and covering the whole gamut of conservation activities.

On the managerial level it included "switch it off" posters, bonuses for efficient boilermen, replacement or conversion of oil-fired boilers, insulation, draught exclusion and lowering of ceilings.

The authority even converted 40 ambulances to run on dual fuel, LPG and petrol, optimising on the most economical fuel.

Government sets target of saving £7bn a year

Welcome boost for energy managers

THE PEOPLE at the heart of industry and commerce's drive to use energy more efficiently, the energy managers, received a welcome boost this autumn with the formation of the Government's Energy Efficiency Office. The aim of the office, according to Mr Peter Walker, the Energy Secretary, is to encourage the domestic, public sector and industrial users of energy to save up to £7bn a year.

This represents 20 per cent of the total energy used in the United Kingdom.

Mr Walker has set himself the grand target of "making Britain the most energy efficient country in the western world." The Energy Efficiency Office is at the vanguard of this drive and will co-ordinate the energy saving activities of other Government departments.

The office has been set up to be the spur to others to save energy and use energy more efficiently. It has its own bureaucracy of four directorates to help. Mr Bill Macintyre, the first director general to do this.

The creation of energy managers in industry and commerce is to be encouraged through the Industry and Commerce Directorate. At the same time, the directorate's officers will seek to gain the involvement of top management in energy efficiency and in measures needed to improve the use of energy.

Behind the Government's intention to encourage the appointment of more energy managers in industry and commerce is its belief that investments in energy saving equipment or insulation or in equipment designed to use energy more efficiently can give industry returns of up to 100 per cent, in savings in energy costs.

Energy managers who encouraged their company boards to invest for example £300m in energy saving, could gain a return of the same amount in reduced energy costs in one year, according to the energy department.

"If industry puts in the management to use this resource sensibly, it would quickly have available £1bn which could go either to higher profits or more competitive prices," Mr Walker said.

Mr Bill Macintyre, the director-general of the Energy Efficiency Office put the savings for British industry and commerce even higher. He told a meeting of nearly 40 chairmen and secretaries in the south-eastern energy managers group that industry and commerce could save £1.3bn out of its 1982 expenditure on energy of £9.4bn.

He gave a broad indication of the Government's policy of not paying directly towards investment for energy savings by reflecting on the "big prizes" energy managers could win for their companies through energy saving schemes.

Responsibilities

"It makes sense, therefore, for energy users, as a general rule, to pay the costs of the investment required themselves and to bear the responsibilities for their actions," he said.

The job of the energy manager was tough, he said. "You have to convince your management of the financial case for energy efficiency investments." The energy manager also has the opportunity to achieve "impressive energy savings and financial rewards."

With the Government distancing itself from direct financial involvement in the investment needed for most energy-saving schemes, its role, and that of the Energy Efficiency Office, is largely that of encouragement and providing advice and information for energy managers.

Nevertheless, the Energy Conservation Demonstration Projects Scheme is available to energy managers to provide grants of up to 25 per cent of the capital cost and up to 100 per cent of the cost of monitoring energy-saving schemes. Over 200 projects have been approved so far and are expected to go ahead.

The Government has spent £16m to date on supporting and monitoring these schemes and the budget for the scheme in the current financial year is expected to be approximately £4.5m.

A further £7m has been spent by the Government on its Energy Survey Schemes and current annual expenditure on this scheme is running at £1.7m.

Aggregate identified energy savings arising from the schemes so far come to £360m but the scheme is currently being reviewed to emphasise the need for improved energy monitoring and the setting of energy consumption targets for industry. The pilot studies in the paper and board and textiles sectors have been completed and the British Paper and Board Industry Federation and the British Textile Employers' Association have recommended the implementation of the conclusions in their sectors.

So far, according to Mr Macintyre, the evidence suggests that energy monitoring and energy targeting schemes alone could save over 5 per cent of energy costs in industry and commerce, with further expenditure, in the paper, board and textiles sectors. Further savings, of over 10 per cent, were possible in the first year where the monitoring and targeting schemes were in use, in association with some investment.

The Government is currently spending £500,000 a year on support for industrial and commercial energy monitoring and targeting schemes.

Other support for industry is available through the Industrial Heat Recovery Consultancy Scheme. This scheme is administered on behalf of the Department of Trade and Industry by W. S. Atkins and Partners.

The idea is for the department to offer assistance to high energy users in industry who want to commission outside consultants to do design, specification and tender appraisal work for heat recovery projects. The scheme applies to any proposal for the recovery of waste heat for re-use within the process or elsewhere in the factory.

Consultancy

Aid from the department includes consultancy work to the value of £3,000, provided free to the applicant, and half the cost of consultancy work beyond £3,000 to a maximum Government contribution of £7,000.

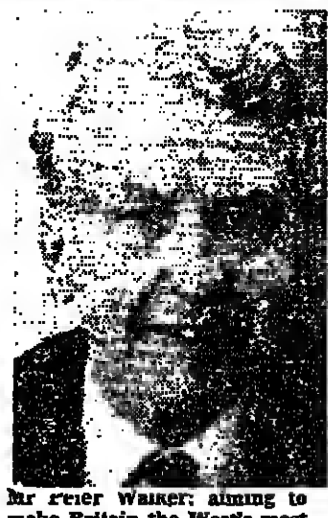
The scheme is open to all manufacturing companies with annual energy costs of over £100,000 in a single factory.

In the private sector, one of the latest developments in the drive for greater cost-effective use of energy has come from Shell UK, with the formation of its subsidiary company called Emstar, for Energy Management Services Technology and Ressources.

The initiative for the formation of Emstar came from the energy division of PA Management Consultants. Shell UK approached PA Management Consultants to find out how the oil company could recoup the revenue the company, along with other oil companies, is losing through the energy saving schemes being adopted by industry.

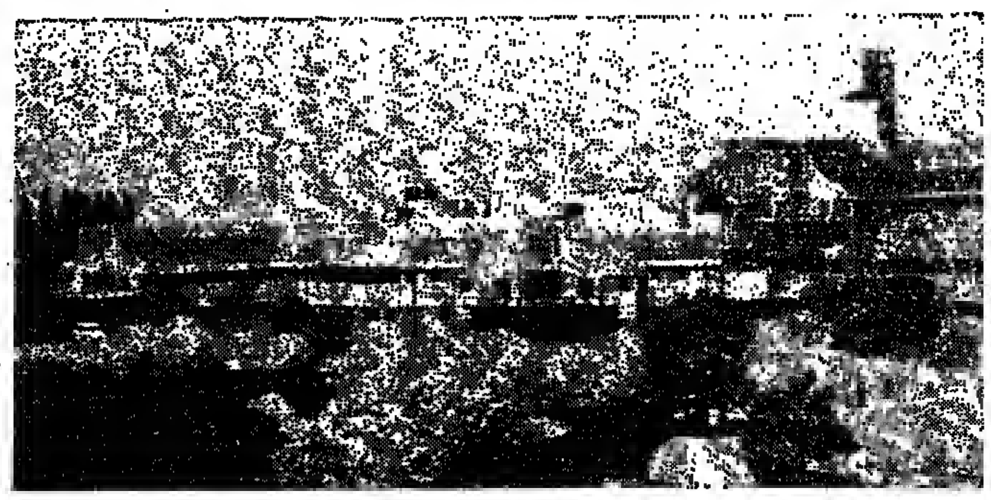
In a move designed to help Shell UK become less dependent on its oil sales, a prime target of energy-conscious managers in oil-using industries, PA management Consultants urged the company to get into the business of selling energy.

Lynton McLain



Mr Peter Walker: aiming to make Britain the West's most energy-efficient country

Mr Bill McIntyre: at the vanguard of the energy saving campaign



A model of the 200-bed St Mary's low energy hospital, Newport, Isle of Wight, due for completion in 1986. The NHS building will be 50 per cent more energy-efficient than a conventional hospital because of shape, siting, insulation use of natural light and heat reclamation

Richard Johns on how demand is being cut

Reducing the need for oil

"IF there is any lesson in the events of the past 10 years in the oil industry, it is that price matters to consumers." Dr Tom Meloe, Texaco's chief economist, may seem to have been stating the obvious to a world which now perhaps takes for granted its capacity to lessen dependence on oil since the price escalations of 1973-74 and 1979-80.

In retrospect, though, looking back a decade to the gloomy autumn of the October War — petrol queues, the 50 mph speed limit, and the three-day week in the UK — the achievement in terms of both oil conservation and diversification from oil to other fuels — has not been inconsiderable judged by the yardstick of 1973 expectations.

Certainly, as the International Energy Agency never ceases to remind us, there is no room for complacency in a period when oil prices, having been cut, are set to continue declining in real terms for the next two years or so. In this context, however, one of Dr Meloe's conclusions was both interesting and arresting.

It was that while 40 per cent of eventual fall in demand for petroleum is registered within a year of a price rise it takes nearly 20 years for the full effect to work itself through. The short-term reaction is to cut back on mileage but the long-term one is development of more fuel-efficient cars.

U.S. petrol consumption measured in litres for every 100 km fell from 18.8 in 1973 to 10.8 in 1981, while the average distance travelled by each car dropped from 16,100 km to 14,500 km. Certainly, the biggest scope for improvements in fuel efficiency were in the U.S. and the re-emergence of gas-guzzlers in strength suggests that the trend may be reversed.

In the UK, meanwhile, consumption declined from 11 litres per 1,000 km to 15.2 in the 1973-81 period. The trend in Britain and elsewhere, encouraged by refinery capacity and competition at the pump, recently has been towards rising consumption.

Whether or not Dr Meloe's calculation is proved right by the year 2000 his approach has led to estimates by Texaco of overall demand for oil during this decade which are lower than many others. He forecasted non-Communist world consumption of 49.5m barrels a day in 1990 in contrast to the U.S. Department of Energy's one of 52.8m b/d. He predicts the requirement for Opec oil at 22.9m b/d in the same year while the department foresees it at 27.7m b/d.

The hazards of forecasting are legion and, in particular, making projects extrapolating from past experience. But at least it can be said that the decline in energy intensity, and the extent of demand elasticity and overall savings have proved over the past decade to have been greater than what had been considered possible in 1974.

In 1974 the European Council of Ministers agreed a target of a 15 per cent energy saving by 1985. The objective was reached in 1980.

In practice, the performance was accounted for by a very much lower growth than had been expected and actual recession.

The IEA calculates that for all 21 member-countries the total primary energy requirement (TPE) increased by a mere 0.5 per cent in the 1973-82 period to nearly 3.32bn tons of oil equivalent. Oil consumption declined by 14 per cent from 1.71bn tons to 1.47bn tons.

As a proportion of TPE oil fell from 51.9 per cent to 44.6 per cent, showing the extent of structural change. Shifts in energy intensity—the relationship between usage of it and Gross Domestic Product—are the true measure of conservation.

Here the figures reflect a progressive decline in the link between economic growth. Measured in terms of tonnes of oil equivalent for each $1,000 of GDP the rate fell in the 1973-1981 period from 0.89 to 0.77 for energy as a whole and 0.46 to 4.35 for oil.

The IEA and its members governments see scope for a further reduction in oil intensity. They foresee its declining further to 0.32 in 1985, 0.27 in 1990 and 0.23 in 1995.

Further gain will be hard to achieve and must be related to the movement of oil prices whatever the continuing effect of past increases. With much of the momentum for substitution lost much will depend on overcoming the constraints, political and technical, facing other fuels.

Increased gas penetration will mean the industrialised countries commiting themselves to supplies from sources which they might not necessarily regard as secure.

If coal's share of total energy supply is to equal that of oil by the end of the century, as the IEA hopes, fulfilment of the aspiration will require solutions to environmental and technical problems.

Nuclear power's potential looks as if it will be limited by political opposition based on concern about safety, disposal of waste, reprocessing of spent fuel, and non-proliferation issues.

Because of the stagnation and fall in oil prices, much of the stimulus towards developing renewable sources has been lost and would not at the best, anyway have a large quantative impact on the overall energy balance.

Just how much the drop in demand for oil in successive years since 1979 should be attributed to recession rather than price cannot be calculated precisely. Now, with the trend reversed, there is debate as to how much the 3 per cent growth in the world economy in prospect, will revive it.

The increase could be only one-third of any percentage point and probably will not be more than half, by general consent.

ENERGY DEMAND OF IEA MEMBERS*
(millions of tons of oil equivalent)

	1973	%	1982	%	1990	%
Oil	1,714.0	51.9	1,495.1	44.9	1,537.3	38.3
Gas	683.3	20.7	645.5	19.4	771.7	19.5
Coal	664.9	20.1	792.7	23.8	1,026.1	25.9
Nuclear	41.8	1.3	154.6	4.6	336.3	8.5
Other	199.3	6.0	242.1	7.3	289.7	7.3
TPE	3,303.4	100	3,329.8	100	3,959.5	100

* Excluding France, Iceland and Finland

British manufacturers earn wide acclaim

AT ONE of the first national energy management conferences held under the "Save It" slogan, many delegates felt like removing their jackets because the building was so overheated.

Only the most charitable participants suggested that this might be a deliberate ploy to demonstrate how much energy Britain was wasting daily rather than a simple case of poor housekeeping or a faulty heating system.

The progress which energy managers have made since then was demonstrated at last month's seventh annual conference at the Birmingham National Exhibition Centre's Metropole Hotel.

Not only was the building sensibly heated, but the conference included an exhibition of energy management equipment, much of it offered by companies who have themselves only come into being in the past few years.

For good measure, the delegates were shown the computer-based equipment which had just been installed in the NEC itself to monitor and control the lighting and heating in the complex's seven exhibition halls.

The range of this equipment, both traditional and innovative, is reflected in the latest edition of the British Gas Corporation's Director of Energy Saving Equipment, which was also published at the time of the conference.

Insulation

It lists more than 1,000 items and products available on the UK market for use in industry and commerce, from the cheapest forms of insulation and draught proofing to the latest electronic control systems and heat recovery equipment.

They are available from 641 companies, 11 per cent more than the number listed in the previous edition of the directory.

The leading edge of this highly diffuse industry is the section which offers computer-based energy management systems like that installed at the NEC by Satchwell Control Systems, of Slough, Berkshire. According to one estimate, this market is now worth about £25m a year but is expanding at the rate of 100 per cent per annum.

Satchwell, part of GEC, is one of the hard core of major companies who have traditionally dominated this field, which also includes Honeywell and Johnson Controls of the U.S.

However, an important feature of this sector is the recent emergence of indigenous British electronics companies which are beginning to establish an international reputation.

Lord Avon, Parliamentary Under Secretary of State for Energy: strong interest in export efforts

They include Transmitton, part of BICC, which used to specialise in mining controls; JEL Energy Conservation Services of Stockport; Trend Controls, of Horsham, Sussex; Allen-Martin Electronics of Wolverhampton; and Iss-Clorius and Information Transmission of Reading.

Some of these companies have also scored well as exporters. Transmitton has established bases in continental Europe, Africa and Australia, and a hospital in San Diego, California, is commissioning one of its systems costing £200,000.

JEL has set up a subsidiary in New Zealand and has agency agreements throughout Europe with more being negotiated in the U.S. In Italy it has won a contract from a company with 6,000 buildings throughout the country. Satchwell has had similar successes in France, Austria and the Middle East.

Some of these companies' individual efforts are supplemented by the International Energy Conservation Group (IECG), formed about three years ago by the London Chamber of Commerce and Industry.

Claiming to represent the best of British technology, its 62 members include consultants and manufacturers of a wide range of equipment in the fields of heat recovery, combustion, electronic management, and electric instrumentation, as well as UK specialists in the harnessing of solar, wind and geothermal energy.

There is a strong government interest in IECG's export efforts and some of the contracts secured under its auspices have stemmed from inter-governmental agreements. The most promising export markets are countries with a big potential for reducing their consumption of oil, by switching to coal and by greater efficiency. They include Turkey, Greece, India, Portugal and Spain.

The IECG is particularly hopeful about future orders as a result of a recent mission to Athens, led by Lord Avon, Parliamentary Under Secretary of State for Energy, and in which 30 companies took part.

The success of the electronic-based companies is attributable not merely to their inventiveness but to the trend throughout the computer industry towards cheaper, smaller products, and towards more sophisticated software.

Microprocessor-based systems for controlling energy in buildings used to cost hundreds of thousands of pounds. Now they are available for only a few thousand pounds and the prices are still falling.

But as they are still only on the edge of a very large market, there is growing agreement, especially among the newer British companies, of the need to make their systems compatible with each other by adopting common standards.

Pressure for this has come from large customers, such as local government or educational and health authorities who want to instal sensitive, automatic controls in many different sites. The Energy Department too, is believed to be encouraging the new indigenous small UK companies to standardise their products to become more competitive with overseas suppliers.

The move towards compatibility will also favour those systems in which the microprocessor-based memory functions are distributed among many small "outstations" rather than being incorporated in bigger centralised control systems.

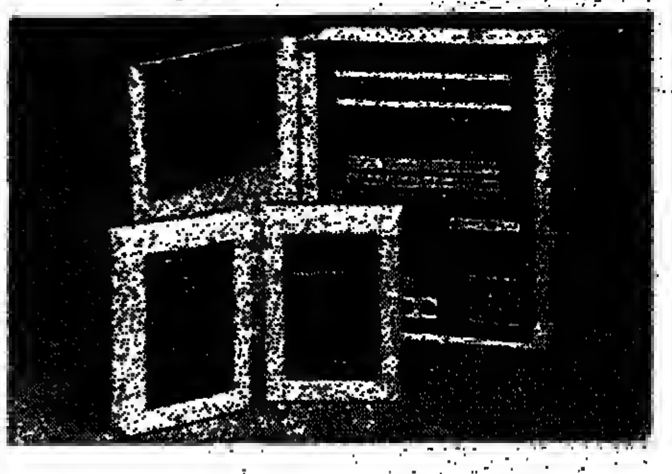
The "distributive" systems, as the former are called have been pioneered by British companies some of who claim they are inherently cheaper than centralised systems and that they have begun to take the market by storm.

The latest generation of these systems have out-stations which are claimed to have the ability to inter-communicate among themselves via a local network.

Trend Controls, for example, is offering a system containing a minimum of 32 points for below £3,000, compared with around £20,000 for most centralised systems.

Maurice Samuelson

The Sangamo Fuel Censor (above) which can control any number of buildings from a central point using telephone links. Below: part of a new range of energy controllers recently launched by Robertshaw Controls.



How vulnerable industries cope

EVER SINCE the traumatic oil price rises of the early 1970s, most companies have put the saving of energy at or near the top of their list of corporate goals.

But some industries use so much energy that they have long been concentrating on how to manage it as efficiently as possible, even before the oil crisis. Through so-called good housekeeping — insulation, draught-proofing, checking that there are no steam leaks, and other obvious means—sizeable amounts of money can be saved.

Among the industries that are the heaviest users of energy are paper, glass, steel, and chemicals. Companies in all these areas have striven hard to go beyond the good housekeeping approach by investing heavily in the latest equipment, rigorously monitoring their energy performance, and lobbying the government to keep prices down.

Investment

Last year, British industry and commerce spent more than £9bn in energy. It has been estimated that cost savings of up to 20 per cent, nearly £2bn, could be made on this, with the pay-back period on the necessary investment being up to four years. Industry could save £300m a year, within the overall savings, through investments which would repay themselves in less than a year.

Through the Energy Efficiency Office, the government has been trying to spread the message of fuel cost savings through careful investment and attention to useage. Between 1973 and 1982, the Office says, there has been a 6 per cent cut in energy use throughout the economy as a result of government measures to promote efficiency, including pricing.

But much more could be done, it reckons. A further 20 per cent gain in energy efficiency "would be a realistic prospect by the end of this century." A recent study showed that companies could make guaranteed annual returns of more than one-third on investments to improve efficiency on energy, and these would cut energy bills by one-seventh immediately.

One example of what can be achieved comes from the chemical industry, which raised output by a net 23 per cent in the years from 1970 and 1982, while cutting energy use by 7 per cent. This translated into a cut of 25 per cent in energy use per unit of output.

The Chemical Industries Association said the sector spent £1.1bn on energy last year—a figure which has doubled in five years—but that this would have been several £100m more, without improvements in energy efficiency. Overall, only around 7 per cent of the industry's operating costs are accounted for by energy, though this proportion can be many times higher for industrial gases and some petrochemical products.

Spending money to save energy is not, however, just a question of deciding to reduce eventual costs. To invest in a major new factory, with all the latest in energy-saving and monitoring equipment, also needs a favourable market to justify the venture in the first place.

Thus in times of recession, the emphasis is likely to be more on making further savings with existing plant than on major new projects, even with a major energy-saving element. And for many companies, the benefits of good housekeeping will have mostly been exhausted, with further improvements in energy saving likely to be very marginal.

Even so, there is a good deal that companies can do. The paper industry has gone in for sophisticated equipment to monitor the performance of its machines and eliminate wasteful processes. The industry regards itself as a leader in the UK in the use of microprocessor control equipment.

For an average fine paper mill, some 18 per cent of its total costs would be accounted for by energy, though this can be much higher. The energy cost compares with nearly 50 per cent for raw materials, 20 per cent for labour, and the rest for rates and other expenses.

"If you accept that the cost of pulp is dictated by the foreign suppliers, there are no other costs that one can reduce radically," said Mr John Adams, former director-general of the British Paper and Board Industry Federation, at a recent conference on energy management.

In co-operation with the government, the industry has been carrying out a demonstration project to establish the best way of managing energy, based on monitoring and targeting. The method is designed to apply to any paper mill to learn where energy is coming from and going to, its effectiveness in producing the finished product, and targets for further efficiency.

Savings

Paper uses both heat and power, Mr Adams pointed out. The industry's major savings had been in steam rather than in electricity. "It is more difficult to trace every therm of steam than electricity; conversely, the cost of a therm of steam is roughly equivalent to a quarter of a therm of bought-in electricity from the grid due to the conversion factor beyond a mill's control."

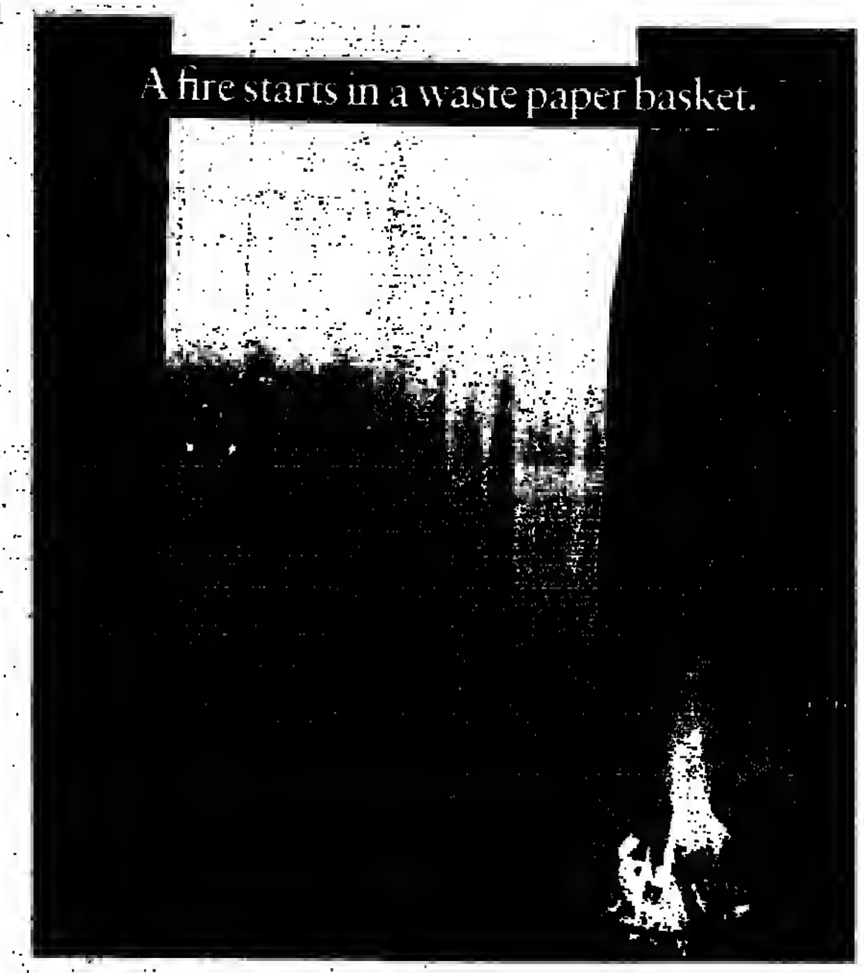
But steam has had first priority. "I would say that industries relying solely on bought-in electricity will have less chance for significant savings through this system than those who generate steam on site."

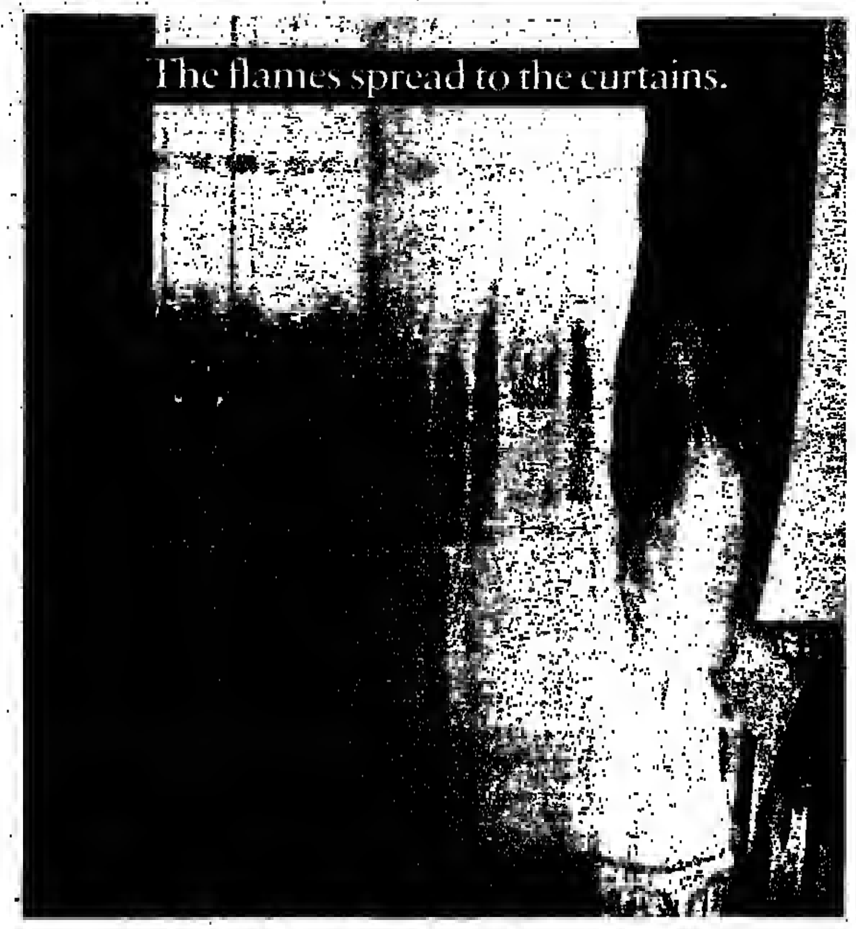
During the year to June, 1983, three of the first four mills in the scheme produced impressive savings without any investment, except in extra metering. One mill saved 10.4 per cent on its energy costs in the last four months compared with the first four months of the year, amounting to £265,000. Another saved 12.6 per cent, or £395,000, and the third 9.6 per cent, or £112,000. The fourth was already very efficient.

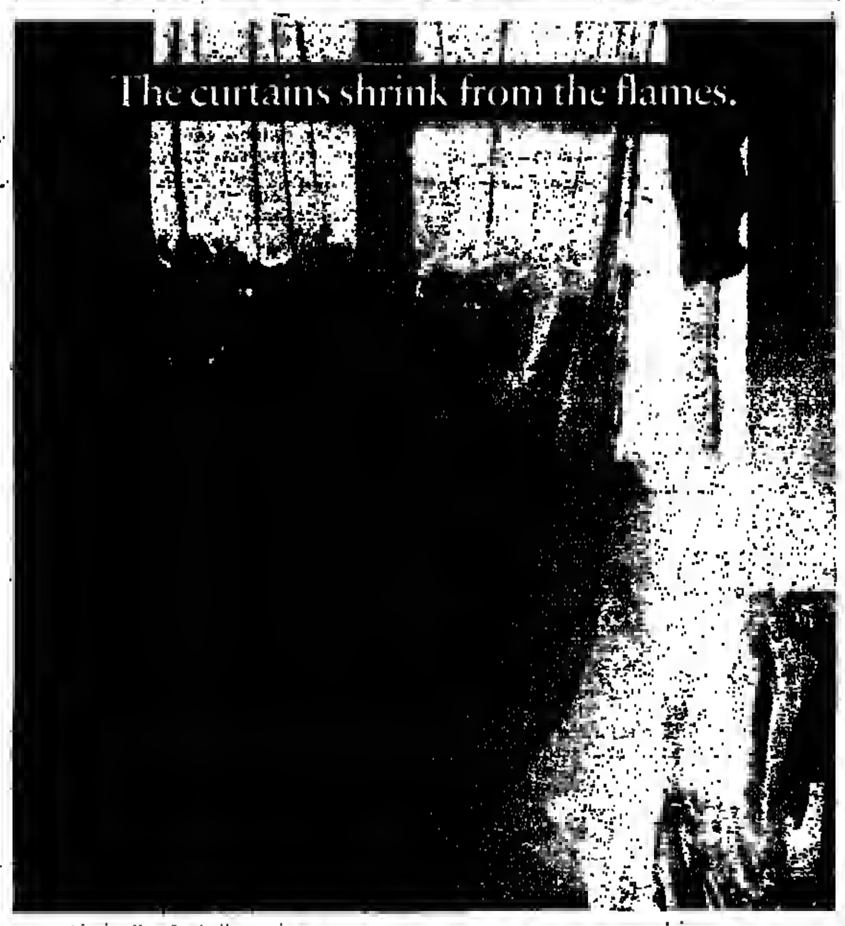
In many companies, it is now regarded as old-fashioned to see energy costs simply as a proportion of the total. If they are viewed instead as a proportion of profit, the potential savings can be brought much more effectively into focus since they go straight through to the bottom line.

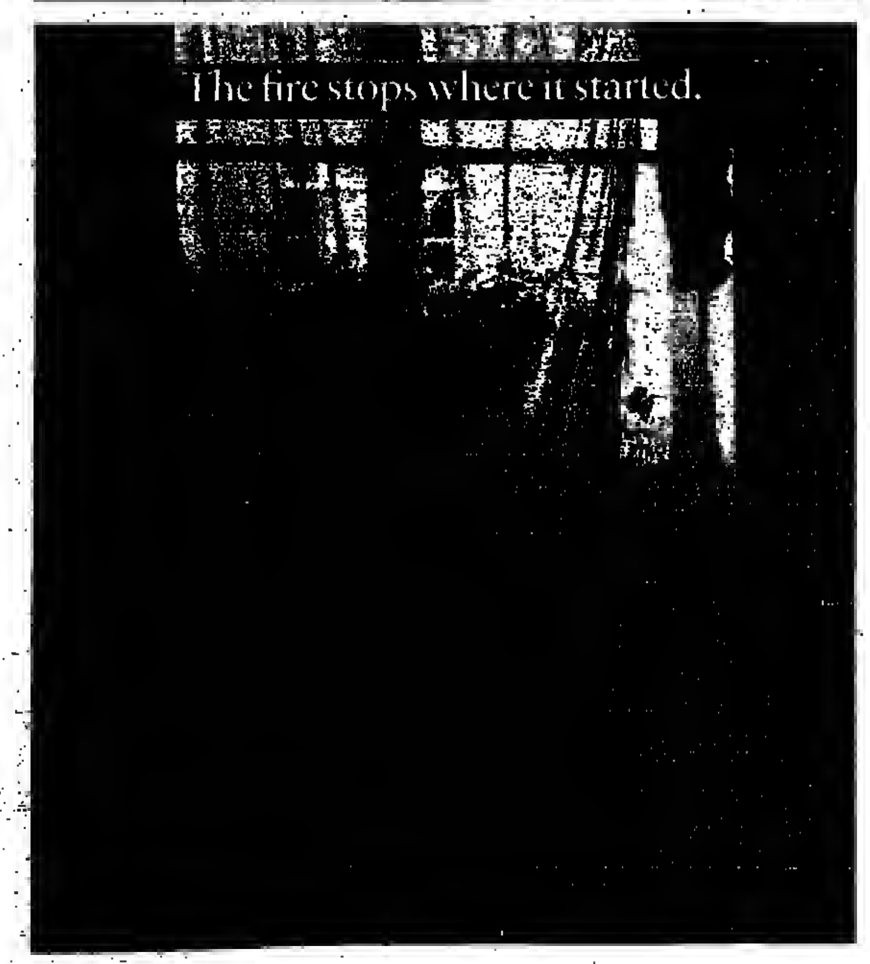
Not all of industry's costs are susceptible to action by companies themselves. The paper industry, along with others, has steadily lobbied the government to ensure that energy prices are not too far out of line with those of competitor countries in continental Europe. On gas, it reckons the situation is equal. But for electricity, the disadvantage for UK producers against those in the EEC can be up to 20 per cent. The duty on heavy oil is another complaint. Price rises, while stimulating energy conservation, can also mitigate its effects.

Andrew Fisher


A fire starts in a waste paper basket.


The flames spread to the curtains.


The curtains shrink from the flames.


The fire stops where it started.

You'll be better off buying curtains that shrink.

Before you shrink from the idea, look at our demonstration on the left.

The curtains in question are made from Trevira® CS flame retardant, a new Hoechst fibre

(C for comfort and S for safety).

Put a flame to it and it merely shrinks away.

Thus stopping the fire in its tracks before it can get a hold.

Hopefully you'll never have to put it to the test.

But it could be some of the best fire insurance you'll ever buy.

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Our treatment is not just applied to the fabric but permanently engineered into the fibre.

So it won't fade or come out in the wash.

Not surprisingly, Trevira® CS flame retardant fibres are now being specified by architects and interior designers around the world.

For schools, hospitals, hotels, old people's homes and wherever life is most at risk.

And being Hoechst, we're constantly investigating new applications.

Exciting the imagination of the world's designers.

For years Trevira® has excited the imagination of the world's top fashion designers.

Now our Trevira® CS flame retardant fibre is doing the same for designers of contract furnishings.

Curtains, wall coverings, bedding and upholstery are all being made from our latest creation.

Developing its flame retardant properties took us many years of intensive research.

But think what fire can do in a matter of seconds.

We're spending £1 million a day on a better tomorrow.

We spend £1 million a day on research to produce better chemicals, pharmaceuticals, fibres, plastics, dyes, agrochemicals, veterinary products, reprographics and many other vital products.
For the complete picture, please send for a copy of "Finding New Ways" to Hoechst UK Ltd., Publicity Dept., Salisbury Road, Hounslow, Middlesex TW4 6JH.

Hoechst

THE ARTS

Arts Week

F	S	Su	M	Tu	W	Th
16	17	18	19	20	21	22

Theatre

NEW YORK

Cats (Winter Garden): Still a sellout, Trevor Nunn's production of T. S. Eliot children's poetry set to trendy music is visually startling and choreographically feline, but classic only in the sense of a rather staid and overblown idea of theatricality. (239 6262)

La Cage aux Folles (Palace): Perhaps this season's outstanding musical comes, like Evita and Cats before it, at the very beginning of the theatrical year. Despite stellar names such as Harvey Fierstein writing the book and Jerry Herman the music, the best parts of the show are not the hoopla, apart from the first-act finale a la Gaîté Parisienne, but the intimate moments borrowed direct from the film. (757 2626)

42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (877 9020)

Torch Song Trilogy (Helen Hayes): Harvey Fierstein's ebullient and touching story of a drag queen from backstage to loneliness incorporates all the wild histrionics in between, down to the confrontation with his doting Jewish mother. (944 9450)

Dreamgirls (Imperial): Michael Bennett's latest musical has now become a stalwart Broadway presence despite the forced effort to recreate the career of a 1960s female pop group, a la Supremes, without the quality of their music. (239 6200)

Nine (46th St): Two dozen women surround Sergio Franchi in this Tony-award winning musical version of the Fellini film 8½, which like the original celebrates creativity, here as a series of Tommy Tune's exciting scenes. (248 0246)

On Your Toes (Virginia): Galina Panova with presumably a genuine Russian accent leads an exuberant cast in the remake of Rogers and Hart's 1936 sendup of Russian ballet tours, complete with Slaughter on Tenth Avenue choreographed by George Balanchine and directed, like the original, by George Abbott. (977 9370)

Brighton Beach Memoirs (Neil Simon): If he wasn't sure before, playwright Neil Simon can expect a long run of his funny as well as touching childhood reminiscence now that the Nederlander organization generously decided to name the theatre after the generation's outstanding box office draw. (757 8546)

A Chorus Line (Shubert): The longest-running musical ever in America has not only supported Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the songs are used as auditions rather than emotions. (239 6200)

Carmen (Vivian Beaumont): Peter Brook has done an excellent job in transforming this Lincoln Center landmark into a spruced up version of his grubbier Paris Bouffe du Nord home for a fast-paced, stripped down seven-performer, but wholly engrossing version of Bizet. (874 6770).

Noises Off (Brooks Atkinson): Dorothy Loudon brings Michael Frayn's backstage slapstick farce to Broadway in Michael Blakemore's production that includes Brian Murray, Paxton Whitehead and Victor Garber as her backstage conspirators. (245 3430)

CHICAGO

E. R. (Forum): *Moving into its second year parodying melodrama in a hospital setting, this emergency room continues its adventures among a young doctor, a receptionist and an authoritarian nurse.* (496 3000)

WASHINGTON

Beyond Therapy (Kreeger): Christopher Durang's romantic comedy has all the elements of modern singles life including meeting through the personal's column of a newspaper and a scene in a hip restaurant, but it reflects more than explores the shallowness of a surfeit of choices. Arena Stage (488 3300)

As You Like It (Arena). The Napoleonic era with its bows to Romanticism are the setting of Douglas C. Wager's production with Frances Conroy as Rosalind and Tom Hewitt as Orlando. Ends Jan 1. (488 3300)

Agnes of God (Eisenhower): Hysterical pregnancy of a contemporary novitiate makes for emotional heat but little light in John Pielmeier's melodramatic play starring Elizabeth Ashley and Mercedes McCambridge. Kennedy Center (254 3670). Ends Jan 7

LONDON

Dancin' (Drury Lane): Bob Fosse's answer to A Chorus Line makes Wayne Sleep and his Dash company look like the real thing. At least the band is splendid, and so is Jules Fisher's lighting. Anyone who has seen Alwin Nikolais or even Fosse's own All That Jazz need not apply. (836 8108).

Blondel (Old Vic): It is a real pleasure to visit Honest Ed's Old Vic, full of light, space and pleasant stairways. Shame about the show, which not even Paul Nicholas's charm as a troubadour (rhyming with "fondle") in search of both Richard the Lionheart and a hit song can rescue. Blondel finds his king, but not the rhapsody. (928 7616).

Dear Anyone (Cambridge): Jane Lapotaire, without Piaf's songs, is still a very fine musical actress, but Jack Rosenthal's book to lyrics by Don Black and music by Geoff Stephens is nothing except a few Jewish jokes. Ralph Koltai's design for a newspaper office is an impressive steel astrolabe. (379 5299).

Hay Fever (Queen's): Penelope Keith is more "right" for Judith Bliss than were either Edith Evans or Celia Johnson. She is very funny, winsomely autocratic, distracted. The supporting actors roll over without protest. (734 1166).

Pack of Lies (Lyric): Judi Dench in a decent, enthralling play about the breaking of a spy ring in the suburban Ruislip of 1959-60. Hugh Whitemore's script cleverly constructs a drama about betrayal from the friendship of neighbours. The story is based on fact and well directed by Clifford Williams. (437 3686).

The Real Thing (Strand): Susan Penhaligon and Paul Shelley now take the leads in Tom Stoppard's fascinating, complex, slightly flawed new play. Peter Wood's production strikes a happy note of serious levity. (836 2660/4143)

Opera and Ballet

WEST GERMANY

Berlin, Deutsche Oper: Madame Butterfly is sung in Italian and Hänsel und Gretel is a Philippe Sanjust production. Salome has fine interpretations by Ruth Hesse and Ingvar Wixell. Carmen has Stefania Toczyska in the main role. Premiering this week is a new production of Orpheus in der Unterwelt, produced by Götz Friedrich with a new cast. (34381).

Hamburg, Staatsoper: La Boheme features Ilona Tokody as Mimi and Jose Carreras in the part of Rudolfo. Der Liebestrank brings together Guiseppe Taddei, Marianne Hirati and Neil Shicoff. Die Frau ohne Schatten has Robert Schunk, Helga Dernesch and Gwineth Jones. Hänsel und Gretel rounds off the week. (35 11 51).

Frankfurt, Opera: Premiering this week is a new production of Die Trojaner, by the controversial East German producer Ruth Berghaus. It has Anja Silja and Rachel Gettler in the leading roles. Tosca, sung in Italian, convinces thanks to Mara Zampieri in the title role. The revival of Der Türke in Italien is steered to triumph by Volkmar Olbrich's conducting. Aida has Rosalind Plowright excelling in the title role. (25621).

München, Bayerische Staatsoper: Don Carlos has performances of Margaret Price and Agnes Baltsa. Carmen starts Stefania Toczyska in the title role. La Boheme with Elena Cotrubas and Bodo Brinkmann is an Otto Schenk production. Hänsel und Gretel closes the week. (21851).

LONDON

Royal Opera, Covent Garden: The multi-lingual, stylistically anonymous version of Die Fledermaus proposed by the Royal Opera for several seasons has, at this revival, a properly mezzo-soprano Orlofsky at last – in the person of Doris Soffel – and a strong point of interest in the form of Placido Domingo's conducting debut in British opera. Otherwise the cast – Te Kanawa, Prey, Heichele, Luxon – is familiar. Last performance of Esclarmonde, second-rate Massenet uncertainly sung (even by Joan Sutherland), garishly set and acted, and weakly conducted. (240 1066).

English National Opera, Coliseum: The new production of Mireille is disappointingly less atmospheric than Gounod's beautiful music requires, but under Serge Baudo, the singing of the principals – Valerie Masterson, Adrian Martin, Ann Howard – and the orchestral playing have at least an authentic stamp. The Madam Butterfly revival has Eiddwen Harrhy in the title role. (836 3161).

Royal Opera House, Covent Garden: Royal Ballet presents a mixed repertory during the week – Cinderella with Sibley and Dowell on Thursday.

Sadler's Wells, Rosebery Avenue: The energetic and brilliant Twyla Tharp company performs three programmes. (278 8818).

ITALY

La Scala, Milan: Turandot conducted by Lorin Maazel with scenery and costumes by Franco Zeffirelli. Placido Domingo and Katia Ricciarelli.

PARIS

Saint François by Messiaen alternates with Don Quixote, ballet in three acts to Ludwig Minkus music, choreography by Rudolf Nureyev after Petipa, production by Rudolf Nureyev, Devor and costumes by Nicholas Georgiadis, conducted by Andre Presser/John Lanchbery at the Paris Opera – Palais Garnier (266 5022).

Contemporary Ballet evenings by the Paris Opera Ballet Corps and its choreographic research group at the Opera Comique-Salle Favart (296 0611).

Nikolais Dance Theatre at the Theatre de La Ville (274 2277).

NEW YORK

Metropolitan Opera (Opera House): The first seasonal performance of Hansel and Gretel, with Gail Robin-

José Carreras plays Rudolfo in La Bohème at the Hamburg Staatsoper.

son as Gretel and Hilda Harris as Hansel conducted by Thomas Fulton highlights a week that also includes the first of the season's recital series, with Marilyn Horne accompanied by James Levine. Her programme includes songs and arias by Handel, Schumann, Brahms and Bizet. Fidelio continues with soprano Eva Marton as Leonore, Roberta Peters singing the role of Marelline and Jon Vickers as Florestan. Other performances of the week include Tristan and Isolde conducted by James Levine with Hildegard Behrens as Isolde and Manfred Jung as Tristan, with Samaritani's new production of Ernani. Lincoln Center (580 9830).

New York City Ballet (New York State Theatre) Month-long performances of The Nutcracker continue. Lincoln Center (870 5570).

WASHINGTON

American Ballet Theatre (Opera House): The Baryshnikov Cinderella choreographed with Peter Anastos features lavish costumes and sets by Santo Loquasto in this, its world premiere. Kennedy Center (254 3770).

Exhibitions

PARIS

Raphael – Three exhibitions pay homage to the great Renaissance painter – born 500 years ago. The Grand Palais assembles, for the first time, most of the paintings and drawings from French museums, among them Le Petit Saint Georges, La Belle Jardinière and Balthazar Castiglione's portrait. Another exhibition shows Raphael's influence on French art from the 16th century to the present. Grand Palais (2615410). Closed Tue, Wed late closing. Ends Feb 13. The Louvre completes the anniversary celebrations with an exhibition of the most brilliant of Raphael's collaborators, among them Giulio Romano, and of his disciples. Louvre, Cabinet Des Dessins (260 3926). Closed Tue. Ends end of Feb.

Balthus – in collaboration with the Metropolitan Museum 50 paintings and as many drawings are shown in the secretive painter's first retrospective revealing a universe peopled with adolescent girls and cats in an atmosphere of troubling innuendoes. Centre Georges Pompidou. Closed Tue. Ends Jan 23 (277 1233)

Cycladic Art from the N. and D. Goulandris Collection – more than 200 remarkable items dating from the third century B. C. are being shown at the Grand Palais before returning – definitely – to Athens. Grand Palais (ends Jan 9). Closed Tue, Wed late closing night 10 pm (261 5410)

WEST GERMANY

Hanover, Wilhelm Busch Museum, 1 Georgengarten: The first venue of the roving exhibition with 176 etchings and lithographs by George Cruikshank, the British cartoonist. Ends Jan 8

Bonn: Rheinisches Landesmuseum: The most comprehensive exhibition of contemporary U.S. art ever shown in West Germany. It features works from the 1970s and 1980s by nearly 50 artists representing such styles as pattern and decoration, new image, new wave, new expressionism and graffiti. Ends Jan 15

Berlin, Martin Gropius Bau, 110 Stresemannstrasse: The Federation of West German Artists is showing the work of 300 contemporary painters to document artistic trends. Ends Jan 8.

Hamburg, Kunsthalle, Glockengiesserwall: Luther And The Consequences for The Fine Arts has 540 graphics and paintings from the Reformation to today illustrating the great reformer's impact on many artists. Ends Jan 8.

Hamburg, Kunstverein, Glockengiesserwall: More than 120 drawings, water colours and gouaches from between 1910 and 1955 by Fernand Léger. Ends Jan 1.

LONDON

The Hayward Gallery: Raoul Dufy – a timely reminder that this hero of countless chocolate boxes and post cards, the acceptable face of modern art, was not only a significant painter but a Fauvist of peculiar character, a follower but no slave of Matisse, who later developed into a decorative artist of the first importance. His elegantly perfunctory notation, and his characteristic imagery – white sails in the bay, palm trees below the balcony, bright silks against the apple green of the racecourse, have been taken up and broadcast endlessly by lesser talents. His fabric designs and tapestries are especially remarkable in a beautiful and necessary exhibition. Ends Feb 5.

The Hayward Gallery: Hockney's Photographs – a brisk survey of Hockney's practical use of the camera from simple reference and aide memoire to photographic exercises. This latter aspect developed slowly but has speeded considerably in the past 18 months. The composite photographic image is no longer just a simple still life or portrait study, but a strange and intriguing image of an event, a sequence of action, a passage of time. Ends Feb 5

ITALY

Milan: At the Chiesa delle Grazie there are 100 pre-Raphaelite and Neogothic paintings for church windows.

Venice: Palazzo Ducale, 7000 years of China exhibition. Ends Dec 31. Museo Correr: Titian's engravings on show. Palazzo delle Prigioni: exhibition of works by Massimo Campigli.

HOLLAND

Irish Culture from 3000 BC to 1500 AD in Amsterdam's Rijksmuseum until Feb 26. The Book Of Kells, the most magnificent illuminated version of the gospels in Europe, is joined by a hoard of bronze, silver and gold treasures, all finely wrought and many of them encrusted with jewels – a reminder that long before its present troubles, Ireland had its Golden Age and was the last repository of Western art and learning to fall to the Vikings.

One hundred paintings by modern Dutch artists at the Stedelijk Museum, Amsterdam. Until Jan 8.

NEW YORK

Metropolitan Museum of Art: 75 works from the 20th century collection of Baron Thyssen-Bornemisza will include 10 of his latest acquisitions. Featured in the show will be works by Kandinsky, Picasso, Gris, Dali, Bacon, Freud and Rothko. The recent acquisitions are works by Georgia O'Keeffe, Balthus, Mondrian, Picasso and Natalia Gontcharova. Ends Nov 27

Cantor Sculpture Centre: Set against a spectacular view of New York atop the World Trade Tower, 35 Rodin sculptures are displayed in the enlargements and reductions carried out by Rodin collaborator and reproducer Henri Lebosse. One World Trade Center, 105th storey

Manet (Metropolitan Museum of Art): Almost 200 important paintings marking the 100th anniversary of the artist's death are included in the most comprehensive Manet exhibition for nearly a century. Ends Nov 27

WASHINGTON

National Gallery: Art of Aztec Mexico combines works confiscated during the Spanish conquest of 1521 with the unearthing in 1878 of the Great Temple of Tenochtitlán, capital of the Aztec empire, in central Mexico City. The most comprehensive Aztec art exhibit ever mounted in America reflects the religion that suffused the Aztec culture, with gods performing sacrifices that had to be repeated by man in order to keep the sun moving across the sky and the cosmos working. Ends Jan 8, 1984

Hirshhorn: 136 works by 62 European and American 20th century artists illustrate the contemporary theme of Dreams and Nightmares for Society. Timed to usher in Orwell's dreaded 1984, the exhibit runs the gamut of artists from Russian constructivists with their misguided dreams to a large sampling of American and German artists affected by the century's wars. Ends Feb 12.

CHICAGO

Museum of Contemporary Art: 46 paintings of Superrealist Malcolm Morley trace the British-born painter's style from its origins in abstract works through Pop art to the ocean liners based on postcards that show the photo-realist influence of his self-styled Superrealism. Organised originally by the Whitechapel Gallery in London, the show includes recent pastoral landscapes with beach scenes and animals. Ends Jan 22

Music

LONDON

Divertimenti String Orchestra conducted by John Lubbock with Norbert Brainin, violin and Peter Schidlof, viola. Elgar, Mozart and Tchaikovsky. Queen Elizabeth Hall (Mon) (928 3191).

London Symphony Orchestra conducted by David Josefowitz with Nigel Kennedy, violin. Beethoven. Barbican Hall (Mon). (638 8891).

Ravel/Varese Festival: London Sinfonietta in association with the Royal Opera House and the BBC presents the complete works of Ravel and Varese.

BBC Symphony Orchestra conducted by David Atherton with Paul Crossley, piano. Ravel and Varese. Royal Festival Hall (Tue). (928 3191).

Allan Schiller and John Humphreys, piano duet. Mozart, Debussy, Brahms and others. Purcell Room (Tue). (928 3191).

London Symphony Orchestra and Chorus conducted by Richard Hickox. Tricentrol Christmas Festival, including Bach, Elgar, Tchaikovsky and Vivaldi. Barbican Hall (Tue and Wed).

Christopher Addington, flute d'amour and Richard Leigh Harris, harpsichord. Bach. Purcell Room (Wed).

The English Concert directed by Trevor Pinnock, harpsichord, with Simon Standage, violin and David Reichenberg, oboe. Corelli, Albinoni, Handel, Vivaldi, Bach, Telemann. Queen Elizabeth Hall (Thur).

London Symphony Orchestra and Chorus conducted by Richard Hickox. Rossini, Bach, Britten and Tchaikovsky. Barbican Hall (Thur).

PARIS

Ortrun Wenkel recital, Geoffrey Parsons, piano: Brahms, Mahler, Wagner, Wolf, Strauss (Mon) Theatre de l'Athenee (742 8727).

Nouvel Orchestre Philharmonique conducted by Georges Pretre with Barbara Hendricks, La Rence Dale, Jose Van Dam and Radio France Choir: Gounod's Messe de Sainte-Cecile, Poulenc's Repons des Tenebres (Mon) Saint-Louis-Des-Invalides Church (230 3060).

Ircam-Ensemble Intercontemporain: Stockhausen presents Stockhausen (Mon, Tue, Wed, Thur) at the Centre Georges Pompidou (278 7995).

Ensemble Orchestral de Paris conducted by Erich Bergel: Mozart, Enesco, Beethoven (Mon) Gaveau (563 2030).

Paris Trio Radio France, Patrick Gallois, flute. Pascal Roge, piano: Bach, Mozart, Malherbe, Brahms (Mon) Theatre des Champs Elysees (723 4777).

Orchestre Colonne conducted by Pierre Dervaux: Beethoven's Symphony No 5, Berlioz's Symphonie Fantastique (Mon). TMP-Chatelet (233 4444).

Wind Quintet of the Orchestre National de France: Rivier, Nielsen, Reicha, Arnold (Tue).

Edith Mathis, soprano, Heinz Medjimorec, piano: Beethoven, Brahms, Schubert, Strauss (Tue) Pleyel (561 0630).

ZURICH

Tonhalle: Tonhalle Orchestra, conductor Dennis Russell Davies, Walter Grimmer, cello: Debussy, Yun (concerto for cello), Mussorgsky (Wed). Chamber Music with the Tokyo String Quartet: Haydn, Schubert, Ravel (Thur) (201 1580).

NEW YORK

New York Philharmonic (Avery Fisher Hall): Andre Previn conducting, Pinchas Zukerman violin. Gould, Bartok, Rachmaninov (Tue). Lincoln Center (874 2424). Oratorio Society of New York (Carnegie Hall): Lyndon Woodside conducting, Ashley Putnam soprano, Rose Taylor contralto, David Britton tenor, John Shirley Quirk bass baritone. All-Handel programme (Tue). (247 7459).

Merkin Hall: The Music Project: Schumann, Mozart, Francaix, Spohr (Mon); Elizabeth Rich piano recital. All-Mozart programme (Tue); Bethany Beardslee, soprano and Richard Goode, piano recital. Schoenberg, Britten, Ravel (Wed) 67th W of Broadway (362 8718).

Christopher O. Riley piano recital (Alice Tully Hall) Beethoven, Schumann, Ravel, Liszt (Mon), Lincoln Center (307 6655).

WASHINGTON

Concert Hall: Paul Hill Chorale. Christmas Programme (Mon, Wed); Choral Society of Washington. Christmas music (Tue). Kennedy Center (254 3778).

Cinema/Nigel Andrews

Connery's Bond comes of age

Never Say Never Again, directed by Irvin Kershner

Jaws 3-D, directed by Joe Alves

Sean Connery: charms his way

Sean Connery's James Bond is 21 years old, having been delivered into the world by Dr No in 1962. His coming of age is celebrated this week with a thumping new film, Connery's first 007 in twelve years, *Never Say Never Again*. Girding up his toupée and crinkling his Scottish grin, as crooked as a shillelagh, Sean Connery once more "is" James Bond: as opposed to that other impostor who charms his way into the role from time to time, high on wit but not so high on machismo.

The Bond series is quite preposterous in the way it goes on and on and we encourage it to. In *Never Say Never Again*, far from hoping for a change to the formula, we suffer palpable withdrawal symptoms at the absence of the silly theme tune at the beginning and the famous rifle-sight iris shot of Bond turning round and shooting us. Both are heavily copyrighted by the Broccoli organisation, from whom this film is a rogue spin-off.

But the new adventure, directed by Irvin Kershner, soon slips into the well-known jet-streams and gives us an M (Edward Fox), a Q (Alec McGowen), a SPECTRE (Max Von Sydow as Blofeld) and the traditional ABC guide to world domination and how to stop it. Here Bond combats Klaus Maria Brandauer (*Mephisto's* star), playing a mad foreigner who has removed two cruise missiles from Greenham Common and now holds the world in ransom. His two chief aides are female. One is the beautiful and completely dotty Barbara Carrera; who tosses her raven hair, drawls an accent somewhere between Roedean and Acupulco and wears clothes which frighten the helicopters. The other is the saner, blonder Kim Basinger. She joins Bond in the best screen tango since Jack Lemmon swastika-angled his legs to accompany Joe E. Brown across the dance floor in *Some Like It Hot*.

The wit and originality of the Bond movies lies of course in their mannerist surrealism. Extreme formality beds down with extreme dementia. Watching our perfectly tailored, phlegmatic hero, whose highest flight of vivacity is to squeeze out a drily witty quip from the mouth corner, conquering all comers however feral is like watching Noël Coward taking over and triumphing in an episode of *Star Trek*. (Patrick Macnee proffers a similar gentleman swashbuckler in *The Avengers*). As a movie series, Bondiana is the perfect British ambassador to the popular film market, because it gives us mighty global shenanigans whirring around a quintessential British core.

The weakness of the films is usually the "climax:" with each movie trying to leapfrog the pyrotechnics of its predecessor and often falling flat, on its frog-pads. In *Never Say Never Again* there is an overlong battle in an underground Egyptian temple, followed by much tussling in scuba-suits as Bond swims through determined opposition to find the ocean-buried missiles. (Underwater action scenes are always poor value for effort; it's like watching everything half-drunk in a slow-motion action replay).

The strength of the films is usually, and quite perversely, the early exposition and scene-setting. Edward Fox's M is stoutly, British batty—"We shall purge these toxins from you, James" he caws when he is about to send Bond to a health farm. And the plot is delicately laid out before us during the ensuing health farm sequence, which also features both a menacing hit-man, who stomps after Bond pausing only to shred a hullworker in demonstration of his biceps, and Bond's ingeniously lethal use of a urine sample as counter-weapon.

Thereafter we enjoy a continent-hopping plot, a deliciously unstable villain (Brandauer, with featherlight grins and scissored syntax), a world domination table-game with holograms, the terrific Miss Carrera and the suavely indispensable Connery. For Christmas 1984, a similar mixture again, please.

*

In the case of *Jaws 3D*, what we would like to see this Christmas and next is enough sales of shark's fin soup to empty the oceans permanently of these now tiresome creatures. Any fish who forces me to don the paper polaroids early on a Tuesday morning, wherewith to be assailed by 3-dimensional severed limbs and ravening snouts, is immediately struck off my list of eligible sea monsters.

This time the plot unspools in a Fun Park built around a lagoon. A mother shark and her offspring enter the said water, biffing their way through the protective gates dividing it from the sea, and cause havoc among the staff, the visitors and a cast including Dennis Quaid, Lou Gossett and Simon McCorkindale. The last-named, whom I have long suspected to be indigestible, ends up losing his life inside the jaws of the mother shark who is unable to swallow him. His outstretched dead hand still holds a hand grenade. Who will risk the shark's pearly teeth to unpin the armament and blow the fish sky-high?

One is anxious at this stage not for heroics but merely for an end to the movie. Rather as in Bond, the beginning is best. The 3D credit titles rocket out from the screen, seriously endangering the head of the person in front of you, and for a while all this kinetic novelty is diverting. There's also a flabbergasting shot midway of a harpoon being fired directly into your eyes: I defy you not to flinch. But thereafter, I defy you not to drift into catalepsy as the stereoscopic derring-do goes on and on and the ideas slowly but remorselessly go off.

The long-running shark saga was spawned by Universal Studios, and if you are now reaching the anxiety stage vis-a-vis Christmas presents (only 81 shopping hours to go), may I recommend Clive Hirschhorn's *The Universal Story* (Octopus, £12.95)? This is one of those weighty tomes guaranteed to fracture your coffee table. But it's enjoyable as well as being thick, thorough and well illustrated. Universal rejoiced in the most individualistic output of any major Hollywood studio —everything from Dracula to Douglas Sirk, *The Invisible Man* to *American Graffiti* — and all the feature films are here lovingly described.

Made of sterner stuff is Professor Herbert Marshall's *Masters of the Soviet Cinema* (Routledge and Kegan Paul, £14.95). Here the gaff is blown on Stalinist repression of the great early Soviet directors; Eisenstein, Pudovkin, Vertov and Dovzhenko. The repression is not news, of course, but many of the details are. And Marshall, a one-time Soviet resident, sets out to unfurl the inside story.

He unmasks the machinations of censorship and state control; and he points out—as how many other erstwhile sympathisers have nerved themselves to do?—that the Russian Revolution was not a pristine political crusade that went wrong but a movement morally compromised from the very beginning. The most chilling quotation in the book comes not from Stalin but from Lenin: "The revolutionary dictatorship of the proletariat is rule won and maintained by the use of violence . . . rule that is unrestricted by any laws."

An Inspector Calls/Greenwich

Michael Coveney

When the Mermaid revived this play ten years ago, it was thought in some quarters that a full-scale theatrical re-evaluation of J. B. Priestley was on the cards. In the following year, Olivier directed *Eden End* at the National, a stolidly old-fashioned event, and there have been equally unpersuasive revivals of *Dangerous Corner* and the irritating *déjà vu* exercise *I Have Been Here Before*.

All that has happened is the contemporary revelation of Priestley as a journeyman craftsman, a prosaic wordsmith of second-rate intellectual density and, let's be frank, something of a dramatic bore dealing in homespun philosophy, cosily righteous socialism and wiseacre sentimentality.

Alan Strachan's production of *An Inspector Calls*, set in 1912 but written in 1945, is a decent, affectionate piece of staging that nonetheless leaves you gasping for air at the plodding obviousness of the play, infuriated by its nudge-nudge coyness of plotting and message, exasperated at its creaking structural carpentry.

A family engagement party is interrupted by the arrival of Inspector Goole. He implicates, one after the other, the assembled family in the suicide that morning of a young girl who has swallowed some disinfectant. It transpires that Arthur Birling, the industrialist awaiting a knighthood, sacked the girl from his factory after she had agitated for wage increases.

The girl was then removed from a clothing shop after Arthur's daughter, Sheila, took a dislike to her manner of service: was "kept" for six months and then discarded by Sheila's fiancé after he had met her in a bar of ill repute; was thrown out on her ear by the charity committee of which Mrs Birling is the chairman; and was impregnated by young Eric Birling who has taken to drink and stolen money from the family business.

"It's better to ask for the earth than to receive it," intones the Inspector after receiving the rebuff that "we can't all be responsible for our fellow men." But, he drones on in the third act; while this Eva Smith may have gone, there are millions of others, and plenty of John Smiths too, the downtrodden victims of Victorian and Edwardian capitalism and respectability.

The Inspector, an evanescently symbolic deity of the industrial North, has been famously played by such arch exponents of dotty ambiguity as Ralph Richardson (in the 1946 British premiere) and Alastair Sim (on film). But Greenwich follows the example of the Mermaid, casting an undemonstrative, even dull, actor in the role. David Swift gets far less out of it than, as I recall, did Philip Stone.

Once the enquiry is completed, the family wriggle their way to treating it as a hoax. These twists are well charted, notably by Jenny Quayle as the resistant, humbled, converted (?) voice of the Young Generation. The senior Birlings are enlivened, as far as is possible, by William Lucas and Margaret Tyzack.

Vienna Philharmonic/Barbican

Andrew Clements

No Webern at all in the published programme of the final event of the Olivetti International Webern Cycle in the Barbican on Wednesday night, but a major helping of Schoenberg, the symphonic poem *Pelleas und Melisande*. While one regrets that the outlines of the week of the Webern Festival have sometimes become a little hazy (the context of some programmes not defined as clearly as they might have been), any venture which contrives to bring the Vienna Philharmonic to London to play Webern (as it did on Tuesday) and Schoenberg must be applauded: it's hard to think of another orchestra more suited tonally to *Pelleas*.

Whether the Barbican Hall is the ideal place to hear this work is another matter. In the first half of the programme Zubin Mehta conducted Schumann's fourth symphony, doubling the woodwind up to four of each and making Schumann's already thick orchestration (in his revised, 1851 edition) less clear still. The tonal bloom and unanimity of the Vienna strings survived, just, but the sound was too unwieldy to yield crisp chording in the first movement's development, or at the opening of the finale. Mehta's approach appeared to presuppose an altogether leaner sound; more extrovert athleticism and razor-sharp ensemble was implied but not delivered.

It did not augur well for the Schoenberg, a score overflowing with detail and saturated textures. Yet the performance was ravishing in its sound, superbly etched in its intricate counterpoint. Certainly the bass lines had a habit of disappearing unaccountably — what orchestral performance at the Barbican does not include an example of that? — and Mehta drew some of the climaxes up a little too sharply, so that carefully graded *ritardandi* were replaced by crunching changes of gear. But the whole of that rich, rambling structure (Berg's famous analysis of *Pelleas und Melisande*, which fosters a symphonic structure on the work, takes some special pleading) was convincingly conveyed. Schoenberg's orchestral imagination was never on a longer leash than in this score, and its exuberance was a quality that Mehta rendered exceptionally well.

As encore we did get some Webern, the Six Pieces for orchestra Op 6, which the orchestra had included in its concert on Tuesday and which was reviewed here by Dominic Gill. Perhaps in reaction to the tonal overkill of the Schoenberg, punches here seemed to be pulled: climaxes—in the funeral-march fourth piece particularly—were distinctly underwhelming, and the music elsewhere did not move with the naturalness that had so characterised *Pelleas*.

Twyla Tharp/Sadler's Wells

Clement Crisp

Fats Weller, Georg Philipp Telemann, Frank Sinatra—who but Twyla Tharp would dare, could dare, to juxtapose them in a dance evening? For the next two weeks Miss Tharp and her magnificent dancers are at the Wells and Wednesday night's opening proclaimed those qualities of inventiveness, wit, bravura that are so essentially the world according to Tharp. America dancing was Isadora Duncan's dream and Miss Tharp's reality, for her repertory seems the embodiment of the richness of a nation's social and theatrical dance manner.

From the demotic of dance-halls and ball-rooms, of cinema and ordinary movement experience, she has evolved a language which has refined and sharpened populer attitudes to stunning and illuminating theatrical effect.

In the wild and wonderful *Sue's Leg*, Miss Tharp, Jennifer Way, Tom Rawe and Raymond Kurshals skitter and slide, bounce and race through Fats Waller's songs. Their movement is relaxed but ferociously controlled, diabolical feats of virtuosity thrown away with *dégagé* charm, and Miss Tharp herself is caught up in a series of dance-brawls from which she emerges with a slightly tipsy dignity and an undiminished readiness for more. It is a joy to see her dancing again, mercurially purposeful; a joy to watch her superb companions with their micro-second timing and prodigious fluency; a joy to see dances so alert and so richly allusive.

Of the works new to us in the performance, *Nine Sinatra Songs* is a portrait in which seven couples incarnate the most correct as well as the most extreme aspects of ballroom behaviour. Its substance is social and exhibition dancing—jiving, Latin American *furia*, waltzing — with acrobatically erotic double-work (superlatively done by Sara Rudner and John Caraffa), over-optimistic partnering, and *Come Dancing* exhibitionism set out in vignettes of acute observation and no less acute choreography.

And at the centre of this first programme, *Telemann* shows Miss Tharp as neo-classic craftsman in a brand new piece for three white-clad couples whose dances explore the formal devices of a Telemann chamber concerto. The movement is clear-cut—its patternings would look even better on a larger stage—and resourceful. It is a shapely work, and like everything Miss Tharp does, intensely musical.

Sadler's Wells Royal Ballet

Following its Christmas season at Sadler's Wells, the Royal Ballet appears at the Gaumont Theatre, Southampton from January 23-28 and at the Palace Theatre, Manchester from January 30 to February 4.

AN OPEN LETTER TO GULF OIL CORPORATION SHAREHOLDERS

Dear Fellow Gulf Shareholders:

The results of the recent proxy contest will not be known for a few weeks. Although the outcome is still too close to call, it is not too early to reflect on what we learned from you during this proxy contest.

We learned that the proxy contest was a difficult experience for Gulf Oil shareholders. Many of you believed you had to choose between your desire to maximize the value of your Gulf investment and your loyalty to management.

Most importantly, our solicitation of over 300,000 Gulf shareholders has shown that most Gulf shareholders, given the proper chance and the proper forum, are willing to educate themselves on several very important issues concerning their investment and the future of Gulf. We thank you for your continuing effort to understand these issues.

We could not, of course, ask for a greater incentive to press forward. We intend to purchase additional shares of Gulf Oil. We will continue to evaluate ideas that we believe will create greater wealth for Gulf shareholders without the loss of jobs for Gulf employees or prestige for Gulf.

Most of all, we will not go away or be ignored. We are fully dedicated to maximizing shareholder values. That was our goal in the beginning. We will be here when the job is finished.

Sincerely,

T. Boone Pickens, Jr.
Gulf Investors Group
116 John Street, 26th Floor
New York, N.Y. 10038

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Friday December 16 1983

A challenge to Europe

MEMBERS of the European Parliament heightened the drama being played out within the European Community yesterday by voting to freeze rebates due to Britain and West Germany under agreements reached within the Council of Ministers. Their purpose was to concentrate minds everywhere on finding a way out of the crisis that overtook the Community when the summit meeting in Athens collapsed.

The Parliament has two constitutional prerogatives. It may dismiss the Commission; and it has a measure of control over non-mandatory Community expenditure. It also has a political prerogative. It may and often does make a thorough nuisance of itself to the Commission and the ten member-governments. That is a time-honoured right of any parliament worthy of the name.

In the case of the crisis that has overtaken the Community there was no case for sacking the Commission. It has not played as purposeful a role as it should have done in tackling the problems of the Community budget and the Common Agricultural Policy, but it is not primarily to blame.

Nor was there a case for turning down the budget as a whole, as was proposed by members of the European Parliament from the British Conservative and Labour parties. This is not a time to add to the confusion left by the failure of the Athens summit. Even as a declamatory gesture, a total rejection would have been of little value. Those not yet aware of the issues and their urgency will never wake up to them.

Determination

For the same reason we disagree with the Parliament's decision to freeze the rebates. As a warning gesture the freeze serves little purpose. But as an inflammatory move it entails patent dangers. An eruption of nationalist resentments is the last thing that the Community wants at this time.

What it does need is a cool determination to solve the closely intertwined problems of the British rebate, of finding fair and adequate means of funding Community spending, and of containing the ever-expanding costs and absurdities of the common farm policy. This is a challenge for all members and especially for diplomatic skills of the French who will be assuming the presidency in the opening half of 1984.

If that challenge is not met there is a danger that the two timebombs ticking away under the Community will go off next year. Britain may be tempted to take its rebate by withholding part of its remittances to Brussels, which would turn the present crisis into something much worse. And the Community will be in danger of running out of funds, at the latest in the autumn. It is not a prospect to be relished.

Tradition

At this stage nobody can be sure that it will be averted. The Community has a long tradition of muddling through and striking compromises at the eleventh hour. But the present crisis is different from all the others. It cannot be solved without making changes to the structure of the Community, above all by reforming the most sacred of all cows, the farm policy. Moreover it comes at a time when high unemployment and slow growth have revived protectionist and nationalist instincts.

It is fortunate, therefore, that the first official British reaction to yesterday's events in Strasbourg was measured and subdued. Mrs Thatcher did not live up to the reputation she has acquired among many Continental critics of being a prime minister whose determination readily turns into obstinacy.

The Prime Minister firmly refused a suggestion from the leader of the Opposition, Mr Neil Kinnock, to dock the equivalent of the expected British rebate from London's current contribtuions to the Community budget. It was possible, she said, that the rebate would be received in time. Judging by previous statements Mrs Thatcher has made, that would mean by the end of March.

Such a deadline, if deadline it is, does leave room for manoeuvre. Three months is not enough to agree on the details of a new deal in Europe down to the price for the last litre of milk. But it is enough to summon the will to shape a community that takes more account of members' ability to pay and finds a way of controlling expenditure on agriculture. It is to be hoped that Mrs Thatcher's restraint will evoke an equally conciliatory response elsewhere among the Ten.

A setback for accountability

THE GOVERNMENT is in danger of checking, and possibly reversing, the momentum towards greater disclosure of information and increased Parliamentary scrutiny over public finance which has developed in the past four years. The response in the Commons last week of Mr John Moore, the Financial Secretary to the Treasury, to the proposals for further changes from the Select Committee on Procedure (Finance) has angered the advocates of reform.

The issue is not power, but disclosure and accountability. It is empty rhetoric to talk about the legislature regaining control over the executive. Under the present party system any Government with a working majority in the Commons can get its way, unlike a U.S. administration in Congress.

Procedures can, however, be introduced requiring the executive to justify its actions. This was the rationale of the three major reforms of the last Parliament—the establishment of the 14 all-party select committees which monitor Whitehall, the revision of procedures on spending estimates to permit detailed scrutiny, and the reorganisation of audit activities.

The result, according to Sir Douglas Wass in his Reith lectures, has been to sharpen up Whitehall. He has noted that "the knowledge that your department is going to be examined in detail on the background to a policy statement is a great encouragement to be rigorous in formulating your justification." And in his view "a further beneficial effect has been to oblige Whitehall to publish more information—information about policy, about expectations and about judgements."

Suggestions

The procedure committee recommended building on these earlier changes. Among a long list of suggestions the MPs proposed giving the Commons control over the annual limit of central government borrowing, extending the scope of a "Green" or provisional budget, combining revenue and expenditure proposals, splitting the Finance Bill so that technical matters are considered separately, and providing for the separate identification and scrutiny of major long-term expenditure projects.

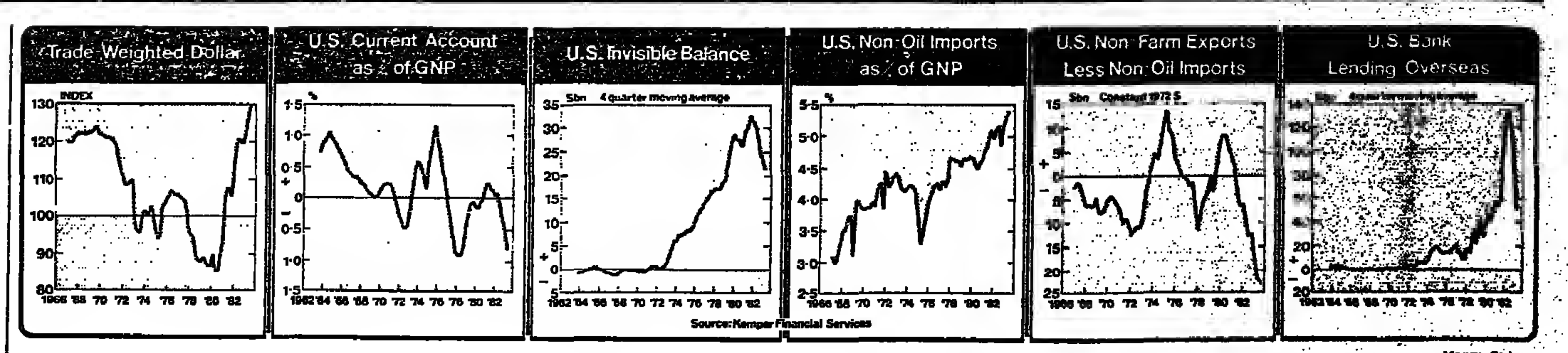
Reply

Mr Moore's reply smacked more of the official obfuscations of the Yes, Minister television comedy than the enlightened desire for open government portrayed by Sir Douglas in his lectures. Mr Moore was uncharacteristically negative about virtually all major proposals — largely because they would interfere with the operations of the executive.

On some points he could justifiably point to what the Government has already done to provide more information: the recent innovation of monthly figures for public sector borrowing, the greater detail in the annual estimates about long-term projects, and the mass of data in the autumn economic statement. There are also problems about legislative control over government borrowing, as the U.S. Congress has discovered, while there is no hard and fast distinction between technical and un-technical tax matters.

Moreover, it would be wrong to be starry-eyed about the reformers. Debates on these issues tend to be dominated by a small group of enthusiasts. The patchy record of the select committees so far suggests that few MPs are willing to take on the extra workload involved in more detailed scrutiny over government finance.

Yet Mr Moore's general approach exaggerated the difficulties. There should be a presumption that the executive has to justify its actions before they are approved. For instance, given the poor record of major government capital projects it is wholly desirable that, as the committee proposed, the public spotlight is focused on such schemes from the start. The departmental select committees should take up this issue and it would do no harm for either Mr Moore or Mr Nigel Lawson, the Chancellor, to explain more fully their view of the Treasury's public accountability.



Marion Sedger

Exchange Rates

Myths and realities of a strong dollar

By Anthony Harris

It is not true that the dollar is strong because of the deficit

THE dramatic rise in the dollar over the last two years is perhaps the most over-explained event in economic history.

This is not surprising; financial markets always generate theories to explain what is going on, if only because dealers like to have something to say when they are questioned at the end of the day.

The dollar's rise has gone on so long, and defied so many predictions that it would soon turn down again, that theories have been tried, disproved and replaced again and again. There are now a few quite persuasive theories in circulation; but before we can examine them, there is some ground to be cleared.

Most people much over 30 still have a nagging belief, left over from the days of the Bretton Woods regime, that what "really" determines exchange rates is the current account of the balance of payments. This was very roughly true of the main developed economies during an era when most of them (but not the U.S.) imposed restrictions on capital movements, but there were always important exceptions; developing countries, for example, normally import capital and run a corresponding current account deficit without strain.

The authors of Bretton Woods, wiser in their generation, talked about the "basic" balance of payments — current and long term capital — as their touchstone. What follows is partly an attempt to revive this concept in modern, post-floating dress. However, it does seem intuitively wrong that an economy as rich as the U.S. should require injections of capital from outside to keep it going, so that a current account deficit does seem unnatural, and it still haunts the analyses.

There are two schools of thought. One says that the dollar is riding for a heavy fall. The other, looking at the huge residual errors in U.S. balance of payments' figures, argues that the deficit itself is a myth.

It is impossible to settle this argument finally—though the statisticians of the OECD believe they can account for most of the $100bn errors in the official figures, and still come out with a U.S. deficit. Either way, it is clear that the published current account figures are no use at all in explaining dollar movements. The published deficit was large in 1978, and the dollar was near collapse. It is about as big, in real terms, today.

The more fashionable explanations therefore look at the capital account rather than the current account. Because of the "huge capital movements" which are supposed to occur through the Euromarkets, it is said that exchange rates are now largely determined by interest rates.

There is certainly something in this, for the recovery in the dollar followed the very large rise in nominal interest rates which followed the new Volcker policies introduced at the end of 1979. Rates have fallen again since then, but inflation has fallen still further; the modern version of this explanation is presented in terms of real rather than nominal interest rates.

However, this is not really satisfactory. First, a movement of capital must be motivated by the difference in rates of return in different currencies rather than the absolute level of interest rates; yet, in the Euromarkets, sterling, which on average yielded a full point less than the dollar in 1982, has been level-pegging or better through 1983; sterling should have been touching record lows last year, not this.

This is much clearer if we look at the D-mark. Euromarks were yielding a full six per cent less than Eurodollars in the first half of 1982; the gap has subsequently been halved. Yet the dollar has reached a 10-year record against the Mark.

In any case, the idea of "huge capital movements" is itself misleading. Since the capital and current accounts must balance, by the laws of book-keeping, then in a world of fairly clean floating capital cannot flow in huge amounts unless there are huge current account imbalances.

There were indeed huge capital movements in the mid-1970s, when the Opec surplus was at its peak, and the oil countries were placing several billion dollars a month in the Euromarkets. The dollar has strengthened mainly since these surpluses disappeared, and there has been much less international capital looking for a home. This is no accident, as we will see.

However, the capital movementschool has come up with a more localised theory, first put forward by Professor Martin Feldstein, President Reagan's chief economic advisor, and recently paraded in the House of Commons by Mrs Thatcher.

In its crudest form, this states that since the U.S. government deficit now exceeds the available private savings inside the U.S., it is "sucking in capital" and thus, it is to be supposed, driving the exchange rate up.

This is not at all convincing in this form. For a start, this is only another way of saying that the U.S. government deficit is driving the current account into deficit, which is hardly a bull point for the dollar. And it is still basic IMF policy that you reduce the Government deficit to support the exchange rate, as we ban to in 19176.

This doctrine is enthusiastically supporteo by the U.S. administration, which calls it "putting your house in order." On this theory, the dollar will rise still higher when the U.S. puts its house in order (in 1985, according to Treasury Secretary Donald Regan).

In short, it is simply not true that the dollar is strong because of the deficit; though it may be true that the U.S. is in deficit because the dollar is strong.

So much for the ground-clearing; but before turning to the more plausible theories, there is one question which must be faced: how do we tell whether an exchange rate is "high" or "low"?

Here again, there is a ghost in most people's minds—that of the schoolroom theory of purchasing power parity. This simply says that, in a stable world, a sum of money will buy much the same in its country of issue, or in another country if you change it for the local currency. A more sophisticated version of this theory looks only at the tradable goods which move internationally; a car or a computer will cost much the same, but a haircut or a house may not.

Like the current account theory of exchange rates, this is a half truth. Just as the current account needs to be adjusted for the structure of invesment flows, the tradable-goods theory needs to be adjusted for the structure of trade.

This is easiest to understand if we assume, for the moment, that there are no long-term capital movements. In such a world the current account, taking one year with another, must balance — the Bretton Woods ghost again. We can then divide current account into two classes: those goods and services whose prices are sensitive to local costs, such as manufactured goods and tourist charges; and those which are not, such as dividend and interest payments, financial services, and also food and commodities (including oil) which command a world price.

Now since the current account is assumed to be in balance, any surplus on one side must be matched by a deficit on the other. It follows that a country with a strong invisible account, and a strong balance in primary commodities, will run a large deficit on the other side of its account—manufactures and tourism.

It is this balance *within* the current account which will determine the equilibrium exchange rate, leaving aside capital movements—the exchange rate at which foreign supply and demand for the currency are balanced. A country which has a structural deficit on merchandise and tourism will have a "high" exchange rate measured against purchasing power parity, or any of the many measures of competitiveness.

This was the British case at the turn of the century, when foreign dividends supplied a tenth of the notional income. It has been true of Switzerland for a long time. The reverse is true notably of Japan—a weak invisible account, and almost total reliance on imported energy and raw materials, and to a lesser extent of Germany. And in both these countries the tendency to a competitive rate is reinforced by national wanderlust, which drives the tourist account into deficit.

The American case is more complicated. The U.S. has always been strong in primary products, but since 1970 it has also built up a large surplus on invisible trade (though this has fallen from its peak as interest rates have eased). This has been matched by a large deterioration in the non-oil, non-farm balance. All this would suggest that the equilibrium exchange rate, adjusted for relative inflation, should have moved up fairly steadily during the 1970s, and peaked a short time ago.

This upward move should have been reinforced by America's relative immunity to oil prices (the same force which has made the UK less competitive against oil-importing countries) and by the increasingly important U.S. lead in some kinds of technology, where know-how outweighs costs and the U.S. is also the largest market.

This could well pass muster as an account of what has happened, in a very broad perspective. The dollar is even now only modestly above its nominal values of the 1960s, and will probably stay "high" by most standards. However, it has been a very bumpy road, and remains so. It is time to look at the long-term capital account.

The capacity of a country to export its currency and acquire assets ("exporting capital") is determined by two things: its net national savings rate, and the behaviour of its banking system.

Now the net national savings rate is the difference between national income and national expenditure.

The effect on the exchange rate is still ambiguous; and as can be seen, it will depend both on relative interest rates (which will compensate short-term traders for taking short or long positions) and on perceptions of long-term investment prospects.

A country which attracts long-term funds can readily finance a current-account deficit for many years; its exchange rate will drift down only slowly, as the need to pay dividends and interest overseas worsens its invisible account, and demands a stronger merchandise account to compensate. In the extreme, the tail can wag the dog; a strong international demand for assets in one country can push its exchange rate up to the point where the current account is forced into deficit.

The dollar rises despite rising current deficits

These remarks apply broadly to the U.S. and the strong performance of Wall Street, as well as the political stability of the U.S. in a turbulent world, do help to explain why the dollar rises despite a rising current account deficit. The rise of the dollar itself only adds to the attraction—as long as it lasts. Floating exchange retes tend to make long-term capital flows more unstable—"market overshooting"—so this flight could fall into some nasty air pockets.

One of the charts above shows (and understates) the remarkable rise and collapse of overseas lending by the U.S. banks themselves. The growth of lending actually crossed the zero line into negative territory recently, but the twelve-month total is still up. What it cannot show is the parallel behaviour of the Euromarkets—if only because no two experts can agree how far the Euromarkets are a source of monetary growth in themselves rather than a pipeline from the U.S. banking system.

Here both the growth of deposits (mainly from OPEC) and of lending have collapsed. Broadly speaking, the banks both inside and outside the U.S. kept the dollar market highly liquid for nearly a decade, and so offset the trading forces which ought to have driven the dollar up. Since the international lending crisis set in, this source has dried up.

The unanswerable question remains: how far is the rise of the dollar a belated adjustment to reality, and how far is it an overshoot? It certainly *will* overshoot, as all major market adjustments have done since currencies were floated, and probably has already done so—but not perhaps by very much. Trade structure has changed, and international banking confidence will not quickly revive. Even after whatever correction is to come, the dollar will probably for a long time be described as "abnormally high."

Men & Matters

Mills' stroke

Can it be another sign of the vogue for "new realism" in the trade union movement? A former president of Balliol Rowing Club has been elected chairman of the TUC's new financial services committee.

Leif Mills, aged 47, general secretary of the Banking, Insurance, and Finance Union, has been chosen by ten votes to nine at the inaugural meeting of the committee to the annoyance of his more senior opponent, Clive Jenkins of the white-collar union ASTMS.

Jenkins, aged 57, who has been a member of the TUC general council since 1974, and who lists his interests in Who's Who as "bargaining with employers, organising the middle classes, and arguing for withdrawal from the EEC," apparently considered his rival rather less qualified to lead a TUC membership drive into the world of finance.

Mills (interests "rowing, chess, squash") only gained his general council seat earlier this year. He arrived there under new TUC rules giving seats automatically to unions with mare than 100,000 members.

A former officer in the Royal Military Police, he prides himself on being the first Balliol man to rise in the union movement.

His Christian name, which comes from his Norwegian mother, means "lucky."

"Course—we saved a lot by doing our own conveyancing"

Top draw

The "ideal New Year's gift," as advertised in Farming News, is a grand Georgian mansion called Middleton Park at Castletown-Geogbegan, about 50 miles from Dublin, in the Irish Republic.

And if the house itself (formerly the home of the Boyd-Rochfort family) is not enough I should add that it comes complete with stabling for 37 horses, sheds for 300 cattle, and nearly 400 acres of prime grassland.

It all seems to amount to a very expensive present. Yet you have a chance to give it to the person of your choice without taking out a mortgage.

It is the prize of an up-market draw at £175 a ticket.

The draw is being limited to 9,000 subscribers, which puts a maximum price of just over £1.5m upon house and estate. The trustees reckon that in the open market it might fetch around £1.25m.

So far nearly 6,000 entries have been sold with another month to go before the draw. It seems there is no shortage of aspirants to millionaire status.

The novel house sale has been undertaken at the whim of the owner, Barney Curley, who is a well-known Irish racing and betting man. He bought it nearly 10 years ago, partly with the proceeds of a big win, and he harbours a warm feeling that he would like the next owner to acquire it in just as lucky a fashion.

Wine waiter

Coals to Newcastle? That's nothing compared with the trading feats of Norfolk wine merchant, Trevor Hughes. He is exporting French wine to France.

Hughes specialises in supplying old and rare vintages costing up to £1,000 a bottle. His latest order is from a chain of French restaurants which wants to provide customers with classic clarets such as Chateau Mouton-Rothschild.

"Supplies of the great French wines in France have virtually all been drunk," says Hughes. "England is now about the only country in the world where there are still stocks of the great vintages."

From his Thetford base, he has been buying stocks laid down years ago by families "who have suddenly realised their wine is worth a lot of money." He says: "You would be amazed how much people are prepared to pay for a bottle of classic wine such as Mouton-Rothschild or Chateau Latour—well-heeled connoisseurs would think nothing of paying £3,000 for a single bottle."

Shipshape

The only BP man who still wears a bowler hat is to hang it up next April. Ron Ilian, managing director of BP Shipping, is to retire after steering the company through some of the worst years in the industry's history.

Ilian, 55 yesterday, joined BP as an accountant 35 years ago. Of his three years as md at BP Shipping, he says: "I suppose in a sense, you could say I drew a bit of short straw."

He will leave behind him a much smaller fleet and staff, the result of stringent slimming induced by heavy tanker losses. But Ilian feels the tide is turning. While still large, the losses are falling. And BP Shipping now aims to steam into more high technology areas, shedding the traditional role of service company to its oil-producing parent.

Ilian will be succeeded by Ian Hartigan, aged 50, who has been with BP since 1969 after 18 years in the army. Both men are on the board of Norway's Stolt Tankers and Terminals, to which BP lent $50m in 1977, obtaining an option to buy half the equity.

Stolt, a chemical shipping company which has ordered five ships from South Korea at a cost of $200m, has been pointing the way towards the areas into which BP Shipping intends to move.

Also under consideration is the building of one or more special BP vessels, costing over £50m each, to mop up oil from small offshore fields.

But for Ilian, the future is likely to centre more on his one-acre garden in Buckinghamshire.

Potent brew

For the executive who has nearly everything, a colleague has just returned from Paraguay with a packet of Indian herbal tea which is guaranteed according to the label, to restore vitality—and cure importence.

Observer

POLITICS TODAY

Dogs that have yet to bark

By Malcolm Rutherford

WE SAW this week the end of a chapter, possibly the end of a volume, in British politics. Mr Len Murray, the general secretary of the TUC, finally asserted his authority over a trade union that had been living in the past, and won.

Anyone who had been watching, even from the sidelines, for the past few months could have seen it coming. The National Graphical Association is not a popular organisation, even among other trade unionists. Its members are relatively well-paid. There was no greet cause to defend, as there was with the low-paid workers in the health service last year. A national newspaper strike would have done very little harm to the Government.

In that, the threat of industrial action was quite different from what might have come—often did come—in the past from the miners, the power workers or the water workers. For once, in a major industrial dispute, a Government was on strong ground. And tha majority of the TUC recognised it.

It is worth recalling, for a moment, a paragraph from the Conservative Manifesto of 1979: "The crippling industrial disruption which hit Britain last winter had several causes: years with no growth in prodnction; rigid pay control; high marginal rates of taxation; and the extension of trade union power and privileges. *Between 1974 and 1976, Labour enacted a "militants' charter" of trade union legislation. It tilted the balance of power in bargaining throughout industry away from responsible management and towards unions, and sometimes towards unofficial groups of workers acting in defianca of their official union leadership.*" (My italics.)

It would be too much to say that there has been an intellectual conversion, though in the case of Mr Murray there possibly has. The TUC general secretary is a deeply thoughtful man who is now in a position of some influence to say what he thinks about the future of society. He has ideas about redefining employment and work patterns for the last part of tha century that one hopes he will now make more public.

Yet, intellectual conversion or not, what undoubtedly there has been is a recognition of reality. Mrs Thatcher's Government has achieved tha 1979 Manifesto objective of shifting the balance of power away from the unions, even if it has had to rely heavily on recession and unemployment to do so. And the crucial event this week is that the TUC has accepted that the balance of power has altered.

If there has been no fundamental change in the intellectual climate, there is et least a realisation that we are living under e different regime. Old ideas — like the power of the unious or the case for public subsidies — are being questioned. There is an increasing acceptance, too, that the new regime is making the running and is likely to be around for a good while yet.

Several examples come to mind, some of them quite small, though no less significant for that. For instance, this week there was a meeting, mainly of scientists and dons, to hear reports on the latest developments in Unesco, the United Nations organisation responsible for education, science and culture.

In the past it would have been regarded a sacred cow, whose imperfections should be swept under the carpet as the natural excesses of the Third World. Not any more, and not even by the Left. Instead, there was a remarkable readiness to question whether Britain should remain in the organisation at all and, whila the general answer was yes, there was quite significant praise from the academic community for the way the present British Government has opposed some of Unesco's wilder ambitions.

Again, take the BBC Reith Lectures which Sir Douglas Wass, the former head of the Treasury, has just concluded. They read like an apologia for the failure of tha traditional Civil Service to adapt quickly enough to a government that might have radical ideas, however inchoate.

There is also the example of the Labour Party. The party has not risen nearly as much as might have been expected in the opinion polls after the election of a young and amiable new leader. One of the reasons, one suspects, is that Labour is

Len Murray: end of a chapter.

just sitting on tha sidelines watching the way the climate develops. It did not want to condemn the NGA outright, but it did not want wholly to support it, either. For the time being, the Labour Party, or at least the Labour Party in England, has bee novertaken by vents. Better to sit is out and see what happens.

Greatly to its credit, the SDP-Liberal Alliance realised rather earlier than Labour that tha political ground had shifted. But it has yet to be the beneficiary. All that it can do is wait for Mrs Thatcher's Government to become unpopular, as no doubt eventually it will, and hope to gain the inheritance as the grouping which offers change, new faces, but also a certain amount of continuity. In other words, no radical promises of renationalisation or repealing the Tories' Employment Acts: almost a new consensus based on the acceptance that Tory change worked, except perhaps at the edges.

To take a final example: there was a White Paper on regional policy this week which questioned many of the assumptions on which such a policy had been based in tha past. Hardly anyone seemed to think that that was odd or sacrilegious. On the contrary, it was taken for granted that the ideas of the 1960s and 1970s are no longer necessarily valid and ought to be challenged.

Yet in a way the main challenges for the future are not up to the opposltion parties, but to the Government. It has chenged the balance of power in the country. It has carried out most of the pledges in the 1979 Manifesto. Bnt It elso has four years of power ahead of it and the real question is what to do next. No British Government has had such opportunities for years. Yet can Mrs Thatcher's administration turn Itseif in an efficient machine with clear objectives?

It should not be assumed that old prohiems have gone away merely because they appear to have become less pressing. Here are three quite heterogeneous examples: how to get the best out of the machine, poverty and Scotland.

Sir Douglas Wass, for all his relative restraint, was acknowledging what anyone who has been remotely close to the core of Government has known for many years: the machine is not as good as it should be and may even be the wrong machine. Various experiments have been tried to make it better, such as the think tank in all its incarnatious or the introduction of more outside advisers. But it is rare to come across a senior civil servant who thinks that the right solution has been found.

At the moment there appears almost to be e vacuum. Mrs Thatcher has abolished the think tank without putting anything in its place, though of course she consults anyone she wants to. She has not helped by at times seeming to be against the Civil Service as such. Morale in the Service is not now notably high. One of the best tasks which the Prime Minister could perform would be to get the machine working again, whether through a new Prime Minister's Office, an enlarged Cabinet Office or any of the formulae which are readily available.

Poverty comes in largely because it is the dog that has not barked. In the present climate of political debate it has become almost a forgotten subject. Yet the visible evidence seems to be of increasing disparities of wealth. There is a large section of the population which does not vota and is very poor. It is to be found in such otherwise flourishing cities as Edinburgh, as well as in London.

When the political climate changes again, one suspects thal the narty which draws attention to poverty will make up a lot of ground. For the Social Democrats, Dr David Owen seems already to be aware of it.

Scotland is a political paradox. Its economy is being transformed by oil, by the growth of financial services and by the development of the electronics industry. It is no longer a poor relation. The wave of nationalism which played such a large part in British politics in the 1970s has also receded.

Yet Scotland has not swung Tory; far from it. The Labour Party in Scotland now eccounts for one-fifth of all Labour MPs at Westminster. Moreover, there is the first faint talk of an anti-Thatcher coalition in Scotland, composed of Labour, the Scottish Nationalists, Liberals and Social Democrats.

A ten-minute rule Bill was introduced in the House of Commons on Wednesday by the Liberal MP for Roxburgh and Berwickshire, Mr Arcby Kirkwood, calling for the establishment of a Scottish Parliament and harking back to the days when the devolution movement was at its beight. It was defeated, but it is worth seeing as a marker for the future.

For the difference about tha devolution movement in Scotland now is that the Labour Party is fully behind it, and Labour in Scotland is still a powerful force. It will also be worth watching how some of the smaller parties move in seeking to unseat Tory local governments. They could withdraw their support and let Labour in. That would be the beginning of the anti-Tory coalition.

All that remains over the borizon for the time being, and it may be said that Scotland is a small place in electoral terms. But two factors should be borne in mind. One is that the Tories are unlikely to be defeated in the foreseeable future unless the opposition parties get together. The other is that Scotland still has many of the ingredients for rebellion: great disparities of wealth, a stroog Labour Party and a nationalist tradition. When the climale of opinion begins to swing against the Tories, the Scots could lead.

Lombard

Mars Bars revisited

By Nicholas Colchester

IT IS NOW two years since Lombard, provoked by incessant sterling inflation, first introduced the Mars Bar as an allernative currency. This smali ingot of staple commodities, packaged with great consistency since 1932, is the ultimate unit of consumer wealth. When historic prices and incomes are expressed in Mars Bars (MB) they display consistency and reassuring stability, whereas measurement in shrinking pounds leads to disorientation and dissatisfaction.

The effect of this revelation was electric—and exactly that predicted by Hayek in his theory of competing monies. In a hid to preserve loyalty to sterling the British Government rushed out an official guide to historic sterling prices to help people regain their bearings. Then the Bank of England went to work against inflation in earnest. Within a year of that Lombard column's publication, sterling inflation bad been reduced from 12 per cent to 6 per cent.

But the Mars Bar monetary agency in Slough struck back. A speciel minting of "Golden Jubilee" bers was snapped up by hungry hoarders. Mars followed this with a series of "special offers," all of which went down well. Above all, the weight of the British Mars Bar was increesed from 59 to 68 grammes to emphasise the soundness and "big bar value" of the new coinage.

Despite the sterling efforts of the Government, the pound today stands at an all-time low of 17p against the Mars Bar, down from 15p two years ago. It has thus lost valne et a real rate of 6 per cent per annum, a figure which tallies with the cost of living statistics concocted by the Government (a misleading concept: the cost of living is a constant, like the Mars Bar, and indeed for addicts the two ere synonymous. It is the valne of sterling that is wayward).

The table below, updated with the latest prices, shows how some price relationships have shifted since 1981. The graduate lucky enough to get a job with ICI is now earning no less than MB 41,000 a year while the prico of his first mini has dropped gradually back since 1960 to MB 18,000 today. The cost of the definitive plate of roast beef and Yorkshire pudding at Simpsons in the Strand has been stabilised under the Thatcher regime at eround MB 38.

The allure of Mars Bar price stability may have been challenged somewhat since 1981, but those who have adopted the Mers Bar standard bave found other delights beyond non-inflationary contentment. The Mars Bar is a unique coinage in that it is issued by o number of agencies dotted round the world. The opportunities for arbitrage between these centres are eye-opening.

Thus, true to form, the Japanese have developed a miniaturised Mars Bar which weighs just 45 grammes and can be slipped easily into a shirt pocket to enhance its liquidity. This micro-bar is trading in Tokyo at Y85 which is equivalent at current exchange rates to no less than 25p. The U.S. Mars Bar is olso a rather skimpy affair at 53 grammes, end the mean of price fixings in New York and Washington is 40 cents or e handsome 28p.

Even after allowing for freight and insurance it is clear that arbitrage between the UK and either country can be very profitable. Those willing to defy the men from Mars and engage in a little illicit recasting can exploit the weight differential as well.

It is no surprise that the main Mars issuing egency is fighting a rearguard action against the "internationalisation" of the Mars Bar market. It frowned upon Rothschilds' offshore Mars Bars fund. It came down hard on Morgen Grenfell for the first Euro-Mers Bar bond. But its battle will be lost as soon as the Mars Bar futures contract starts trading in Chicago.

MARS BAR CROSS RATES

Mars Bar	Morris 8/ Mini	Roast beef at Simpsons	Graduate joining ICI (per year)
1940 0.83p	£160or 19,200 MB	20p or 24 MB	£275 or 33,132 MB
1960 2.5p	£530 or 21,200 MB	43p or 17 MB	£775 or 31,000 MB
1981 15p	£2,900 or 19,333 MB	£5.95 or 39 MB	£5,700 or 38,000 MB
1983 17p	£3,100 or 18,235 MB	£6.45 or 38 MB	£7,040 or 41,411 MB

Letters to the Editor

Anxieties about a nuclear catastrophe

Mr J. Warren.

Sir,—In response to Mr Davidson's ertiele, "The lessons of the Day After" (December 12), it does not seem that tha current anxieties about nuclear catastrophe are predicated upon a convincing analysis of the causes of the holocaust. There is e dreadful scenario, but it is not Mr Davidson's.

The cold war is colder now then it has been for many years, but we are dealing with seasoned campaigners on both sides, each possessing an acuta sense of survival and much to lose. The most likely Gadarene rush to suicide by these players is through a concatenation of monumental political or military blunders rather than cold-blooded purpose. This, indeed, is the implication of Mr Davidson's thesis. Given the generous human capacity for incompetence, such a series of errors cannot be ruled out, but providing complacence is avoided the dangers are probably as small es our foolish, barbarous world can readily attain.

There are more ominous terrors. The advances of science render the intellectual frontiers of ona age tha commonplaces of the next. The real dangers facing mankind come from the future possession of nuclear weapons by the generality of nation states and beyond even them. Education provides the technical ability, the peaceful use of nuclear power provides the raw materials. The proliferation of both will, perhaps within one generation or less, spread the potential for nuclear destruction beyond the current players—with their wary instinct for the rules of the game—to e new set whose names we might guess, but whose fears and objectives we might not. Anyone may draw up a prospective list. Eventually it will spread even wider to the groups of people on tha dark fringes of the international community, with real or imagined scores to settle—I speak, of course, of the terrorist. This pattern seems to me both inevitabla in the long term and a much more dangerous and likely esuse of that terribla nightmare most people would prefer to die in, than live through. Beside such a prospect the ponderous manoeuvrings of the super-powers might seem almost reassuring.

Thare are two possibilities to be drawn from this dark but realistic scenario. Ona is that the proliferation of a nuclear capability in this embittered world will inevitably lead to a kind of piecemeal nuclear bolocaust, the other is that it will be contained, but probably nnly by the use of draconian and ruthless powers applied on an unprecedented scale by one or more of the super-powers.

The cost of salvaging life will probably be everything wa value. The choices for the next (or next hnt one) generation will be bleak.

John S. Warren.
20, Cameron Court,
Cloch Road, Gourock,
Renfrewshire.

From Profesor John Griffith

Sir,—Ian Davidson, in his perceptive article (December 12) on the lessons of The Day After, says that unilateral nuclear disarmament is certainly not the solution "For (Nato) to abandon nuclear weapons, while the Soviet Union retained its nuclear weopons as well as e very substantial advantage in conventional forces, would be to invite, if not military attack, then at least political intimidation."

I cannot speak for others but when I argue for unilateral nuclear disarmament by the United Kingdom now, I do so in the certain conviction that the U.S.A. and the USSR have not the slightest intention at this time of reducing their level of nuclear arms significantly. Nor do I expect thet UK unilateral nuclear disarmament will immediately weaken that intention.

What I see is two opposing groups of politicians, in tha U.S.A. and tha USSR, who, because of their power, inevitably dominate the world and who have abandoned all serious attempts to discover bow they may seek to live together, despite their ideological differences. The search for peaceful solutions has been replaced by reliance on the deterrent force of nuclear weapons which if used by either will certainly destroy all life over much of the earth.

In these circumstances, the overwhelming necessity is to persuade these politicians that negotiation is the only way to avoid tha ultimate disaster; and that time is very short.

Unilateral nuclear disarmament by the UK would be the strongest action we could take to express our recognition that nuclear deterrence is not an alternativa to negotiation and that it should be abandoned.

We are beyond the point at which arms control or even some degree of disarmament is enough. Essential is the necessity altogether to reject nnclear deterrence as the means by which to save the world from destruction.

(Professor) J. A. G. Griffith,
The Close,
Spinfield Lane,
Marlow, Bucks.

House buyers Bill

From the Chairman, Conveyancing Sub-committee, British Legal Association

Sir,—It was not solicitors but the Royal Commission on Legal Services which came down firmly, in the public interest, against tha proposals now embodied in the House Buyers Bill. The belated publication of the Bill has left insufficient time for informed public debate.

I bope that it will be egreed —to avoid a possibla betrayal of the public interest—that no one should form an opinion about the Bill without studying carefully the Royal Commission's report with its reasons for its recommendations and tho evidence considered.

One cannot explain the reasons fully in a letter but conveyancing, including registered land conveyancing, is tha transfer of e complex of rights and duties in which many persons and euthorities have an interest and which depend, in the final analysis, in the way a court would interpret the documents and factual evidence in the light of the law and regulations which Parliament makes more complicated every year.

The Land Registry is merely an index and conceals more than it reveals. The Royal Commission pointed out the dangers to the public experienced under Amarican title insurance.

Arnold Wexler,
116, London Road,
Southborough, Tunbridge Wells,
Kent.

Conventional accounting

From Mr J. Sutherland

Sir,—Mr Osborne (December 7) makes an accounting point but considers the problem only within the limited horizons of conventional accounting. A better accounting system — one which attempted to reflect the economic reality — would surely recognise the great windfall benefit to this country which is North Sea oil and would charge in the current public sector accounts a depletion charge based on the rata at which this asset is being depleted. Then the accounts might really be able to tell us whether or not PSBR targets were being achieved by selling the silver (or rather the oil).

J. M. M. Sutherland,
20, Castle Street,
Edinburgh

Broken parking places

From the Membership Secretary, The Pedestrians Association

Sir,—I read Stuart Marshall's article (December 10) about radar traps with interest. I wonder, therefore, if I might reply from the point of view of others at the business end of the redar beam—pedestrians—who frequently bear the brunt of excessive speed.

It must be self-evident that the faster that traffic moves, the less time there is to avold accidents and the more serious are the resultant casualties. More people are killed and injured on the roads than in any other circumstances and a large proportion of these would not occur were the law to be obeyed. The police should therefore give mucb greater priority not less to this problem.

I know the police worry ebout their public relations vis-a-vis motorists; surprisingly they seem less concerned in this respect that by not doing enough they offend pedestriens. Meanwhile the law is flouted openly end our streets become noisy racetracks and our pavements, intended solely for the use of pedestrians, become dirty broken parking places.

C. A. Maher.
1, Wandsworth Road, SW8.

CHAPS electronic payments

From the Chairman, CHAPS Policy Committee

Sir,—In his article on the CHAPS electronic payments system (December 13), Devid Lascelles says "No progress has been made on the dispute over deadlines. At present, the clearing banks will have up to half an hour longer to settla at the end of the day than everyone else."

This is untrue. The cut-off time will be 3.00 pm both for CHAPS settlement banks and for users of tha system. The settlement banks have undertaken not to use the cut-off time as a means of gaining any competitive advantage over other banks.

J. A. Brooks.
10, Lombard Street, EC3.

FINANCIAL TIMES

Friday December 16 1983

Research and sales deal links CGR and Diasonics

By David Marsh in Paris

COMPAGNIE Générale de Radiologie (CGR), the loss-making medical equipment wing of the French state-owned Thomson electronics group, has agreed wide-ranging collaboration with Diasonics, a fast growing Californian company that specialises in sophisticated apparatus to diagnose illnesses.

In a preliminary accord announced last night, the companies will co-operate in joint research and will sell each other's products in their commercial networks.

CGR has been seeking foreign partners for more than a year to cut its heavy operating deficit. Negotiations were started last year on a link with Technicare, a subsidiary of Johnson and Johnson of the U.S., but the French Government opposed the plan. At one stage Thomson wanted to sell CGR completely, but that option has been discarded.

The accord with Diasonics, which specialises in visual diagnostic systems using ultrasound, is the latest in a series of high-technology agreements between Thomson and U.S. companies in areas such as computers and advanced telecommunications.

CGR believes its products, centring on traditional apparatus for radiology, complement the more advanced material offered by Diasonics.

The agreement will not extend as far as Thomson's taking an equity participation in Diasonics. But joint research efforts – for a total amount of FFr 400m ($47m) a year – are envisaged to try to develop new diagnostic methods and systems.

Diasonics has a turnover of around $200m a year, compared with CGR's sales of about FFr 3.6bn.

Diasonics has striven to develop computer-aided diagnostic methods

PKbanken directors quit over chairman's sacking

BY KEVIN DONE IN STOCKHOLM

FOUR MEMBERS of the board of PKbanken, the Swedish state-owned commercial bank, resigned yesterday in protest at the Government's decision to remove the bank's chairman, Mr Lars Sandberg.

The upheaval at PKbanken, one of the three largest banks in Sweden, has followed the scandal surrounding the personal tax affairs of one of its former board members, Mr Ove Rainer, who was forced to resign last month from his post as Justice Minister

The board members, three company chief executives and the director of Sweden's Social Insurance Service, resigned because they felt the replacement of Mr Sandberg had been made for "political rather than objective reasons."

Mr Kjell-Olof Feldt, the Swedish Finance Minister, said earlier this week that Mr Sandberg, a nonexecutive chairman, was to be replaced by a full-time chairman "with professional competence."

The directors who resigned yesterday, Mr Sven Andren, Mr Gosta Borghed, Mr Sven Bohman and Mr Goran Ekelund, said that the organisation of the bank's leadership had been changed by the Government without consulting the board, making their positions untenable.

Mr Feldt re-entered the controversy last night by saying that the directors who had chosen to leave the bank "apparently did ont understand the role that one of Sweden's biggest banks played in society."

Mr Bertil Danielsson, chief executive, also expressed his clear dissatisfaction with the Government's handling of the affair by declaring that he would only remain at the bank until his current contract expired in early 1985.

The bank also launched a bitter attack on the banking supervisory authorities. It said the bank inspectorate had examined reports from the board and from the bank's lending committee which had dealt with the loans to Mr Rainer in March "without showing any reaction whatsoever."

It was only in the wake of newspaper reports about the loans that the bank inspectorate accused the bank of acting illegally and of making a "serious misjudgment." This was "astonishing," the board said.

International Harvester cuts losses by 71% in quarter

BY WILLIAM HALL IN NEW YORK

INTERNATIONAL Harvest (IH), the giant U.S. farm equipment and truck group which has been battling for financial survival for the last three years, has cut losses from its continuing operations in its final quarter from $294m to $84m.

After the sharp reduction in the group's losses was announced its 220 creditor banks gave their formal approval to a major refinancing of the $3.5bn debt. This is the third time International Harvester's bankers have had to reschedule the group's debts, and the latest agreement is aimed at ensuring that the Chicago-based group can survive until demand for its major products recovers.

This fourth-quarter loss from continuing operations is the latest in a string of improving quarterly results, and for the full year the group's operating losses have been cut from $854m to $434m. The last time IH made money was in 1979, when its continuing operations earned $386m. In 1980 and 1981 the group's continuing operations lost a combined $734m.

Since the company first ran into financial trouble in 1980, it has cut the size of its business substantially. Its workforce has fallen from 93,358 in 1979 to 32,400.

In the year to end October 1938 IH's sales fell by 16 per cent to $3.6bn almost half the level of the group's 1979 sales.

In the latest quarter IH's sales of agricultural equipment fell 15 per cent to $341m and for the full year sales were 28 per cent down at $1.3bn. This compares with sales of over $3bn in 1979.

However, IH's important truck manufacturing operations are now benefitiog from the upturn in demand. Sales in the latest quarter rose 14 per cent to $660m. For the full year truck sales were marginally lower at $2.4bn.

The company says that the benefits of its operational restructuring, which was started in July 1982, began to flow in the current year, but the full benefits will not be felt until next year. Mr Donald Lennox, IH's chief executive, says the company is not relying solely on the rebound in its truck and agricultural markets to strengthen IH's financial position. The group is contiouing to take steps to reduce its operating costs, particularly in the agricultural equipment sector.

The company says that 1983 was the third consecutive year of decline in industry sales of agricultural equipment and truck sales, but IH has been able to increase its market share, particularly in the truck market, where its share now stands at 29 per cent.

UK print union calls for support in strike law battle

By David Goodhart in London

NATIONAL GRAPHICAL Association (NGA) the British print union, will continue its fight against the Government's employment laws, but it made clear yesterday that no further action was likely before the new year.

By then it hopes to have the support of other unions that have encouraged the continuation of its unlawful action against the advice of the Trades Union Congress (TUC).

The NGA's dispute with the Messenger newspaper group in the North West of England over the principle of a closed shop (union-only labour) will be discussed with "friends and supporters in the union movement," Mr Joe Wade, NGA general secretary said.

There were indications last night that these talks could form the basis of an alternative organisation of left-wing unions prepared to offer mutual support in opposing the Government.

Mr Wade accused the TUC of "selling the union down the river" and Mr Tony Dubbins, the NGA general secretary-elect, said that Mr Len Murray, TUC general secretary, had told him categorically that no union would get support for action "outside the parameters of the 1982 Employment Act" in any circumstances.

He said that this proved the TUC General council had revoked a pledge last year to co-ordinate industrial action against the employment laws in certain circumstances.

Mr Wade did not rule out reintroducing mass pickets in Warrington, or even calling a 24-hour or indefinite printing industry strike. But unless there is a very swift reversal of the TUC decision, the union may find it hard to rekindle support for industrial action even within its own ranks.

NGA leaders, however, clearly believe that there is a mood among a number of left-wing unions to form what would in effect be "an alternative TUC" that could continue to operate informally even if a general council decision is not reversed.

One senior NGA official said last night: "The old typographical society helped to form the original TUC. The NGA may now help to form a new TUC."

Leading officials take some comfort from the fact that many of the unions that support it, such as the miners, railwaymen and transport workers are those with the most industrial muscle. Mr Wade did not rule out a complete end to the dispute if the consultations with friendly unions were not productive.

He said that the union would not be purging its contempt immediately in order to unfreeze assets which had been seized by the courts. However, he did not rule it out in the future and said: "We will decide wheter to purge our contempt after we have consulted our colleagues."

He said that sequestration of assets was "bleeding the union" but he added: We are not yet haemorrhaging. The NGA will be back in court in Manchester on Monday to ask for a variation of the sequestration order to allow it to go on paying certain benefits to its members.

The union has so far been fined £675,000 for contempt but is also being charged for the considerable costs being run up by the sequestrators.

Mr Wade was yesterday pessimistic about a resolution of the closed shop dispute through Acas, the conciliation service. He said the union would talk to Mr Eddie Shah, chairman of the Messenger Group, but only if he approached talks with on preconditions.

Mr Shah has repeated that he will not talk unless the union accepts that there is no possibility of any kind of closed shop throughout his company.

THE LEX COLUMN

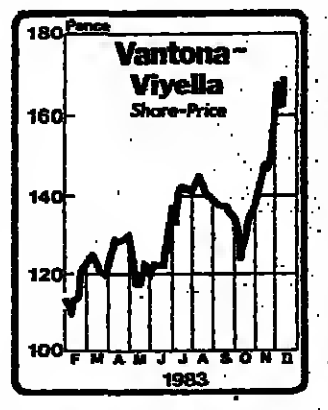
London Brick for Hanson's hod

London Brick's *plans to build up* its presence in the non-fletton brick market were rudely interrupted yesterday when Hanson Trust launched a full-scale bid for the company at a time normally set aside for dispensing cocktails.

The two acquisitions announced by London Brick yesterday may have seemed cheeky to Hanson Trust, but for impertinence they were no match for Hanson's own bid. Yesterday evening's opening shot of 120p cash per share compares with a market closing price of 104p last night and a replacement cost net asset value at last December of 93p a share.

If London Brick manages to make £24m pre-tax this year, the proposed exit p/e emerges at perhaps 10 on actual tax basis – hardly extravagant for a company with a virtually ungeared balance sheet and a return on capital which looks good even by Hanson Trust's own select standards. Whatever the price being offered last night, however, London Brick is guaranteed a difficult job in fending off Hanson's advances.

Not only is Hanson awash with cash since the UDS degearing exercise, but London Brick's own defences have fallen since last year's attempt to merge with *Ibstock* Johnsen. At that time London Brick argued persuasively that fletton and non-fletton bricks constitute entirely separate markets, a contention accepted by the Monopolies Commission. Now, however, London Brick may be thinking again about the structure of the brick market.



Vantona placing

ICI's disposal of its 20 per cent stake in Vantona Viyella has been very happily timed. The textile sector has been coming up with a rush to stand a fifth higher than at the start of November, while Vantona has worked very fast to support the post-placing market by whizzing out an impressive set of estimated figures for the year which it finished a fortnight ago. Most important, to ICI, is that the sale has been completed in time for the end of its own (calendar) tax year.

Having realised some sizeable book profits on two U.S. sales in 1983 – raising a total $181m from its 37½ per cent holding in Fibre Industries and its Gulf Coast oil interests – ICI is now crystallising almost £40m of book losses on its old investment in Carrington Viyella just in time – apparently – to shelter the U.S. gains. With such a significant tax benefit to be gained, it is not surprising that ICI is willing to sell out of Vantona Viyella for as little as £10.6m, less stamp duty.

The fact that Vantona Viyella has been able to make at least £11m pre-tax against less than nothing last year would have been enough in itself to keep the textile sector spinning. The merged group's ability to pay off around £25m of borrowings in such short order is a bonus.

Midland Bank

Midland Bank has been working night and day over the past year to rebuild both its investment image and its equity base. A more aggressive style of management, coupled with the long-awaited rights issue, had helped to lift the shares ⅓ from two thirds from their year's low by last night.

Now much of that good work has gone to waste with the news that Crocker is chalking up provisions of $107m cutting its annual dividend in half and moving into loss for the year.

Midland's 57 per cent stake in this Californian bank cost $820m to assemble and yesterday, as Wall Street digested the news, its market value was around $300m. Midland can blame the difficult local banking market for some of Crocker's problems but in retrospect, the acquisition was ill-timed and Midland's subsequent management style has proved far too remote.

The impact on Midland's balance sheet is by no means dramatic and the group should still increase its free capital ratio about 0.5 to 4.5 this year. But that progress has been achieved largely by external finance. In future Midland will need to grow principally through retentions.

At a rough guess last night's announcement will have chopped a quarter off the bank's 1983 retained earnings. The damage to its reputation, however, is much greater than that.

Warburg/THF

Yesterday's statement from S.G. Warburg, disclosing the sale by discretionary clients of Warburg Investment Management of a 4 per cent equity interest in The Savoy to Trusthouse Forte, raises more questions than it answers. The Takeover Panel has deemed WIM and THF to be acting in concert which, since Warburg is the financial adviser to THF, looks a fair enough conclusion. It hardly squares, however, with the earlier ruling that Warburg and WIM could between them control over 30 per cent of Akroyd & Smithers without triggering a full bid, since in that case the two were not acting in concert. WIM, meanwhile, is no doubt entitled to buy a large holding in Savoy and sell it on to THF but a deal of this kind – even at an unspecified price – hardly does wonders for the reputation of Warburg's famed Chinese walls, particularly at a time when the Akroyds acquisition is raising new areas of potential conflict of interest. More information please.

Welcome for China at MFA

By Anthony McDermott in Geneva

THE APPLICATION by China, the world's largest producer of textiles and clothing, to join the Multifibre Arrangement (MFA) was yesterday welcomed by all members meeting in Geneva. China will become the 49th participating country when the confirming letter of application is received by Mr Arthur Dunkel, the Director-General of the General Agreement on Tariffs and Trade (Gatt) under whose aegis the MFA falls.

China is not applying to become a member of Gatt, and the General Agreement permits membership of the one without the other.

In the session welcoming China's application, there was no complaint from other developing countries about the impact of China belonging to the MFA. But delegates from both the U.S. and the European Community pointed out that China should not be regarded as a new supplier, having been in the market for some time. It should therefore not expect special terms or conditions.

On the Chinese side, Mr Kiu Wenmi, the head of the delegation and an adviser to the Ministry of Foreign Economic Relations and Trade, did not accept that his country was a major textile trading nation. But its presence will undoubtedly be influential when the next MFA – the fourth – comes up for negotiation. The current one expires in July 1986.

Figures produced by Gatt would tend to belie China's modesty. These represent only direct sales from China, and are therefore an understatement. since sales through Hong Kong are not included.

New Thyssen unit returns interim loss

BY OUR FINANCIAL STAFF

THYSSEN Stahl, the newly formed steelmaking unit of West Germany's Thyssen Industrial group, lost DM 208m ($77m) in the first six months since its formation, Herr Wilfred Prüss, finance chief, told a press conference yesterday.

The preliminary loss figure included costs linked with carving the new basic steel company out of the Thyssen empire early this year as a potential merger partner for Krupp Stahl under an abortive industry-wide restructuring plan. Herr Prüss said the deficit would be fully covered from corporate reserves.

The Thyssen group's full-year loss in basic steelmaking could be more than double the loss for the six months ended September 1983, it was suggested.

● The Bonn Government and the Government of the Saarland are to take out an option on the bulk of the ownership of Arbed Saarstahl, the troubled steelmaker which has received nearly DM 3bn ($1.08bn) in public funds since 1978, writes James Buchan in Bonn.

Arbed, the Luxembourg steel group, has agreed to offer a five-year option on 76 per cent of the capital of its wholly-owned subsidiary and to accept a symbolic price of DM 1 if a sale goes through.

Both governments, which are centre-right coalitions, say the move is not a prelude to state ownership but a means of exercising greater influence on the company. Officials say the new arrangement should make it easier to find a company willing to merge with Saarstahl.

W. German monetary goal tighter

Continued from Page 1

covery still hesitant, the authorities also felt that inflationary dangers from the monetary expansion were slight.

Herr Karl Otto Pöhl, the Bundesbank president, has indicated that he expects the growth in money supply this year to be about at the upper end of the 4 to 7 per cent target range, in view of the smaller growth in recent months.

The Government and the Bundesbank have been publicly optimistic lately about economic prospects for next year. With signs that export orders at last are picking up, there is growing confidence that economic recovery is getting under way, even if unemployment is likely to remain a drawback.

In London, foreign exchange dealers said that what they termed the Bundesbank's "aggressive" intervention had temporarily checked a renewed surge in the dollar's value yesterday.

However, while the West German authorities had partly succeeded, the dollar began to gain ground again yesterday afternoon, as the market remained sceptical about its ability to force down the U.S. currency.

Rising U.S. interest rates, expected to go higher as the country's econmic boom continues, and tensions in the Middle East were underpinning the dollar's basic strength, so many dealers predict that it will keep moving upwards over coming weeks.

Although several European central banks have sold dollars over the last few days, many dealers doubt that they are operating with the same degree of co-ordination as last August.

Peugeot shelves plan to invest FFr 1.2bn

Continued from Page 1

The Government was due to make a decision at the beginning of this week, but under pressure from the Communists and the unions has been seeking to win concession from Peugeot to retrain and find new jobs for the workers affected by the proposed Talbot redundancies.

A meeting on Wednesday between Government ministers and M Jacques Calvet, the head of the Peugeot group's car operations and former chairman of Banque Nationale de Paris, failed to produce a workable compromise.

With little sign of a Government decision, the car company decided to force the tempo yesterday by announcing the shutdown of the plant as of next Monday. However, company officials denied reports that the group was envisaging starting the initial legal steps to declare its French Talbot subsidiary bankrupt.

Peugeot argued that it had no other option but to close its Poissy plant since it could not continue to support the financial charges of keeping the strike-hit plant open. The Peugeot group as a whole is expected to report another heavy loss this year of about FFr 2bn.

The Peugeot decision is clearly embarrassing for the Government,

World Weather

		°C	°F
Ajaccio	S	15	59
Akrotiri	F	17	63
Algiers	S	16	61
Amsterdam	S	3	37
Athens	F	13	55
Bahrain	S	22	72
Bangkok	S	33	91
Barcelona	S	6	43
Beirut	C	16	61
Belgrade	C	-1	30
Berlin	S	-3	27
Biarritz	S	12	54
Blackpool	F	6	43
Bordeaux	F	10	50
Brussels	S	5	41
Budapest	S	-4	25
B. Aires	C	26	79
Cairo	C	22	72
Cape Town	S	25	77
Caracas	C	28	82
Casablanca	C	16	61
Copenhagen	S	1	34
Corfu	F	15	59
Dublin	S	7	45
Dubrovnik	C	5	41
Faro	R	15	59
Florence	S	5	41
Frankfurt	S	-2	28
Funchal	F	17	63
Geneva	C	0	32
Gibraltar	R	15	59
Guernsey	S	9	48
Helsinki	C	2	36
H. Kong	S	22	72
Innsbruck	S	1	34
Inverness	S	2	36
Istanbul	F	8	46
Jersey	S	10	50
Jo'burg	S	26	79
Las Palmas	F	21	70
Lima	S	23	73
Lisbon	F	13	55
Locarno	S	1	34
London	R	8	46
Los Angeles	S	26	79
Luxembourg	S	0	32
Madrid	C	6	43
Majorca	F	15	59
Malaga	F	14	57
Malta	C	15	59
Manila	S	31	88
Miami	C	26	79
Milan	Fg	-2	28
Moscow	C	-5	23
Munich	S	-7	19
Nairobi	S	26	79
Naples	S	12	54
New Delhi	C	23	73
New York	C	11	52
Nice	C	8	46
Oporto	C	12	54
Oslo	C	3	37
Paris	C	8	46
Prague	S	-4	25
Reykjavik	C	1	34
Rio de J'o	C	32	90
Rome	C	8	46
Salzburg	S	-6	21
Seoul	S	2	36
Singapore	R	29	84
Stockholm	S	-1	30
Strasbourg	Sn	-3	27
Sydney	C	26	79
Taipei	C	20	68
Tangier	C	15	59
Tehran	—	—	—
Tel Aviv	F	22	72
Tenerife	C	20	68
Tokyo	S	10	50
Toronto	C	2	36
Tunis	S	15	59
Valencia	S	9	48
Venice	S	1	34
Vienna	S	-3	27
Warsaw	S	-6	21
Zurich	C	-4	25

Readings at mid-day yesterday.

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Strasbourg freezes EEC rebates

Continued from Page 1

total Ecu 25.381bn earmarked for expenditure next year.

The ten governments believe that the parliament has added Ecu 132m more to spending plans than it is entitled to legally and that MEPs have no right to reclassify other expenditure, including the British rebate, unilaterally.

They may therefore take the parliament to the European Court as they did in 1981 during a similar dispute. Some governments may also consider reducing their contributions so that the disputed Ecu 132m cannot be funded. Others will see the issue as strengthening the need to curb the parliament's powers to boost non-farm spending.

The budget is not formally adopted until it is signed by the parliament's president, Mr Pieter Dankert. He plans to delay signature until next Tuesday, to allow time for the council to react.

Margaret van Hattem in London writes: The decision in Strasbourg may force the UK Government to prepare legislation for the withholding of payments to Brussels. But senior ministers yesterday appeared confident that the problem would be resolved without resorting to such drastic measures.

The Government appeared determined to play down the importance of the vote. Mrs Margaret Thatcher, the UK premier, pointed out in the House of Commons that the European Parliament had rejected the budget last year with similar indications for Britain's rebate, which had, nevertheless, been paid by the end of March this year.

David Housego in Paris writes: French officials privately did ont conceal their satisfaction at the vote. The French view is that Britain should not get its budget rebate until agreement has been reached on a global package

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Friday December 16 1983

Daimler profit rise is 'satisfactory' as truck sales fall

BY JOHN DAVIES IN FRANKFURT

DAIMLER-BENZ, the West German motor vehicle manufacturer, expects a modest increase in sales revenue and "satisfactory" profits this year, despite problems in truck markets abroad.

In n progress report, the company estimated that group worldwide revenue would rise by about one per cent to DM 39.3bn ($14.2bn), while parent company sales would rise more than 2 per cent to about DM 31.8bn.

It said that profits would be helped by the full-scale use of capacity for car production, as well as by the strength of the U.S. dollar, which had boosted dollar earnings in terms of the D-Mark.

On the other hand, profits had been hit by the lower output of trucks and sharp competition for truck sales in export markets.

The progress report is the first to be issued since Prof Werner Breitschwerdt was appointed as chief executive earlier this month, to succeed Dr Gerhard Prinz, who died in October.

Prof. Breitschwerdt, formerly the managing board member responsible for technical development, has taken over at a crucial time when Daimler-Benz is adapting to difficulties in truck markets and gearing up for full-scale car output at its Bremen factory.

The company said that car production this year would probably rise 3.7 per cent to 475,000. In contrast to the West German motor industry overall, Daimler-Benz has boosted its car exports this year – with sales up not only in key West European markets, but also in the U.S.

Car output has provided the impetus for the rise in Daimler-Benz revenue. In the parent company, for instance, car sales revenue has risen about 13 per cent.

Although Daimler-Benz boosted the sale of commercial vehicles on its home market by about 14 per cent in the first ten months of this year, this has not made up for the setback in sales abroad.

As a result, its production of commercial vehicles in West Germany is expected to show a 7 per cent fall to 173,000 this year. Subsidiaries in the U.S., Brazil, Argentina and Spain will show a 15 per cent cut in commercial vehicle output to 48,000.

Daimler-Benz said that it had succeeded in avoiding short-time working and had maintained its total workforce at abont 150,000 people.

Bank holds $52m credit with Hellenic

BY ANDREW FISHER, SHIPPING CORRESPONDENT, IN LONDON

MORGAN GUARANTY, lead bank to the financially tronbled Hellenic Lines, said yesterday it had $52m in credits outstanding to the company and its affiliate, Transpacific Carriers.

Hellenic, a Greek company run largely from New York, filed this week under Chapter 11 of the U.S. bankruptcy code for protection from creditors.

Morgan said it did not expect that any possible loss from the funds lent to Hellenic, mostly as part of an $80m credit advanced in March with three other banks, would have a material effect oo the earnings of the bank holding company, J. P. Morgan.

Hellenic defaulted last month on a $2.4m interest payment oo the credit. Banks and other creditors have since had more than half of its 30 container and bulk carrier vessels arrested. Hellenic's main business is centred on routes to the Middle East.

● Morgan Guaranty Trust of New York is to sell its 42 per cent stake in the Beirut-based Bank Almashrek. The shareholding has been bought by Intra Investment company which already holds an equal stake in Almashrek.

Morgan Guaranty has managed Almashrek since 1973 when it first purchased its holding.

WEEKLY U.S. BOND YIELDS (%)

	Dec 15	Dec 7	1983 High	1983 Low
Composite Corp. AAA	12.29	12.25	12.50	10.62
Composite Corp. AA	12.49	12.42	12.83	10.78
Government:				
Long-term	11.90	11.88	11.98	10.18
Intermediate	11.70	11.50	12.03	9.83
Short-term	10.99	10.81	11.26	9.21
Municipal	N.A.	N.A.	9.96	8.72
Industrials AAA	12.15	11.96	12.36	10.51
Industrials AA	12.37	12.25	12.62	10.72
Utilities AAA	12.64	12.55	12.81	10.73
Utilities AA	12.61	12.59	13.05	10.35
Preferred Stocks	11.47	11.38	11.47	10.59

Source: Standard & Poor's.

Australian brewery taps U.S. for $135m

By William Hall in New York

SWAN BREWERY, part of Mr Alan Bond's Australian business empire, has raised $135m in the U.S. domestic bond market. The company is believed to be the first non-North American company to issue lowly rated paper in the U.S. market.

The 15-year debenture carries a 14¾ per cent coupon and was issued at 99.253 to yield 15 per cent. This is more than three percentage points higher than comparable U.S. Government issues of the same maturity.

Until now the domestic U.S. debenture market has been reserved for U.S. and Canadian companies and some foreign companies with top credit ratings. Wall Street analysts say that the Swan Brewery issue is noteworthy since its credit ratings awarded by the two credit rating agencies indicate that the bonds "generally lack the characteristics of the desirable investment."

Moody's has rated the Swan issue single B-2 and Standard and Poors has rated it single B. In the past companies such as Swan Brewery have not had access to the domestic U.S. bond market and have bad to raise money in other international markets such as the Eurobond market.

● According to Mr Peter Beckwith, chief executive of the Bond Corporation – Mr Alan Bond's master company – Swan Brewery originally went to the U.S. market seeking $125m but raised the issue to $135m wheo it met a good response, adds Terry Povey from London.

Tomra seeks capital and SE listing

By Fay Gjester in Oslo

TOMRA SYSTEMS, a fast-growing Norwegian company which makes automatic devices for handling used beverage tins, crates and bottles, is planning to raise NKr 23.75m ($3.04m) of fresh capital through a new share issue, following a stock split and bonus issue, and will next year seek a listing on the Oslo Stock Exchange.

Its 76,000 existing shares, par value NKr 100 each, will be split to make 152,000 shares of NKr 50. The NKr 7.6m share capital will then be doubled by a bonus issue, and thereafter shareholders will be offered 38,000 new shares, par value NKr 50 each, on a one-for-eight basis, at a price of NKr 625 per share.

Tomra shareholders presently number only about 150, of which 82 are on the firm's payroll. To date, earnings have been ploughed back into the company and oo dividends paid.

HAMILTON LOOKS LIKE A LONG-SOUGHT SOULMATE

Volvo finds a partner in international oil

BY KEVIN DONE IN STOCKHOLM

AFTER SEVERAL unsuccessful affairs, Volvo, the Nordic region's biggest industrial company, is on the way to consummating its long love match with the international oil industry.

By seeking up to 50 per cent of Hamilton Oil Corporation, one of the leading U.S. independeot oil companies, Volvo has finally round n partner with which it hopes to play a significant role in the high-risk game of oil and gas exploration.

Hamilton is n fair catch. It was the first oil company to produce crude oil in commercial quantities from the UK sector of the North Sea wben output started from its Argyll field in 1975. Its nearby oilfield Duncan is oow starting production, and it is operator for the $400m development of the Esmond gas field in the southern sector of the North Sea. Hamilton also has n substantial sbare in the Bruce field, operated by BP, which might go into production in the late 1980s.

It is exploring for oil and gas in nine countries, and bas production in four – onshore in the U.S. and Canada and offshore in the UK and Colombia. Its proven oil reserves total around 51m barrels (7m tonnes), while gas reserves amount to some 603bn cubic feet. Nearly 60 per cent of the reserves are in the UK sector of the North Sea.

Most importantly Hamilton offers Volvo the chance to bring some order to its earlier, rather disjointed, attack oo the energy sector.

Volvo still gets most of its profits from traditional engineering activities – cars, trucks, buses, wheel loaders and aircraft engines – but its energy companies already provide nearly half of turnover, admittedly mostly generated through crude-oil trading.

Bloated sales npart, the investment in energy has so far brought little but losses and heartache. But in the shape of Hamilton, Volvo maintains that it bas found the company in which it wants to "expand and consolidate its future energy interests."

The deal with Hamilton should be completed by late January, and by then Volvo will hold about 30.5 per cent of the equity. It is aiming to increase its holding to 50 per cent, however, as soon as "further commercially acceptable opportunities present themselves."

Volvo's first spectacular attempt to enter the oil industry was early in 1978, n nadir in the company's fortunes. The group was anxious to change its risk profile, since it was losing money on cars. It also wanted to diversify, and saw its chance in an ambitious deal with Norway.

The plan was for Norwegian interests to buy 40 per cent of Volvo for SKr 750m, and the Swedisb company was to be given shares in three blocks in the Norwegian sector of the North Sea, including the "silver block" where Norsk Hydro is now developing the Oseberg field, one of Norway's most promising oil and gas discoveries.

It was to have been an alignment of Norway's North Sea oil wealth and Sweden's industrial potential. But the deal broke down in early 1979 in the face of mounting opposition in Sweden, particularly from Volvo's small shareholders. Instead the company resolved, somewbat unrealistically, to build its own energy company.

Volvo set off in a number of different directions at once. It applied for concessions in the Norwegian sector of the North Sea. It gained shares in two blocks, but both proved disappointing.

In 1979 it took a 25 per cent share – since reduced to 15 per cent – in the Swiss-based International Energy Development Corporation.

IEDC is a long-term venture to invest in oil exploration in the developing world. It bas shares in concessions in countries such as Tanzania, Sudan, Congo, Egypt and Turkey, but, as Mr Jan Winge, acting managing director of Volvo Energy admits. "It is not a way to earn rapid money."

The next two years, 1980 and 1981 were the high point of Volvo's go-it-alone energy strategy. It formed its own Volvo Energy subsidiary, brought in a managing director from Norway's Aker group and set out ambitiously to establish three divisions: in petroleum exploration, productioo and trading; in offshore activities such as construction and service; and in energy systems.

The going proved tough. A solar cell venture was abandoned before it could get into production, and an excursion into the Norwegian offshore supply industry proved equally bleak. Volvo formed a joint venture, Nordex, to build offshore platform modules and pipework for the North Sea oil industry, but by last year that project was involving the group io operating losses and liquidation costs of SKr 44m ($5.4m).

A more successful move was the purchase of 30 per ceot of Consafe, one of the fastest growing Swedisb companies of the 1970s, which has emerged as the world's largest operator of offshore accommodation platforms. During 1980, Volvo also won shares in two blocks in the UK sector of the North Sea, one of whieb bas provided a promising oil discovery operated by Superior Oil of the U.S.

With unfortunate timing, after the peak of the market, Volvo broke into U.S. oil and gas exploration, paying $30m for Fred Olsen Inc, which had some modest explorntion and production properties.

That feverish activity was overshadowed, however, during 1981 by Volvo's merger with Beijerinvest, the large Swedish trading, industrial and financial group, which had its own parallel energy ambitions. The deal virtually froze the development of Volvo's existing energy subsidiary.

In many respects the merger with Beijer has proved a success for Volvo, but ont in energy. Through the deal, Volvo became majority owner of the Scandinavian Trading Company (STC), one of the world's biggest independent crude-oil traders, which has run into financial troubles this year.

Volvo's management has bad to rethink its energy strategy. It abandoned ideas of building up an oil company based on Gothenburg and set out in search of acquisitions.

It acquired its first foothold in Hamilton last year when it bought out the interests of one of the Hamilton Brothers, Mr Ferris Hamilton.

Sales for first nine months of 1983

	SKr bn	% Change
Cars	18.8	+50
Trucks	7.6	+ 4
Buses	0.8	+20
Construction equipment	1.8	+19
Marine and industrial engines	1.5	+41
Aircraft engines	0.7	+15
Engineering	2.4	+13
Energy	33.9	+50
Food processing	3.1	+40
Other	0.7	−11
Total turnover	71.5	+39

Pertamina and Caltex agree on profit sharing

By William Hall in New York

PERTAMINA, the Indonesian state oil company, is close to finalising a new profit sharing scheme with Caltex, the U.S. oil company which accounts for nearly half of the country's oil production.

The new agreement, which is expected to be signed shortly, gives the Indonesians a bigger share of tha profits from their oilfields. Under the old agreement, which expired last mooth, Pertamina received 85 per cent of the profits of Caltex Pacific Indonesia, which is jointly owned by Texaco and Standard Oil of California. Under the oew agreement Pertamina's share will rise to 88 per cent.

Texaco said yesterday that Caltex had reached agreement on the principal terms of a contract to replace the old agreemeot, which has been in force since 1971. In additioo to the increased profit share, the new contract will take the form of a "production sharing" agreement that gives more control over oil operations to Pertamina.

Caltex Pacific Indonesia produced an average 556,000 barrels n day in Central Sumatra. Caltex's Indonesian operations have a total capacity of 750,000 barrels a day.

Ingersoll makes charge

BY TERRY DODSWORTH IN NEW YORK

INGERSOLL-RAND, the U.S. mechanical engineering group, is to take a pre-tax charge of around $138m in the fourth quarter in a further costly closure move intended to reduce excess capacity.

The company said yesterday that the provisioo would result in a "substantial" net loss for the year, despite operating profits in the fourth quarter. Ingersoll ran up a net deficit of $17.6m in the first nine mooths of the year.

Since the beginning of the recession, Ingersoll bas closed 17 manufacturing plants while reducing its worldwide employmeot by 33 per cent.

Italtel reduces losses

BY JAMES BUXTON IN ROME

ITALTEL, the Italian state-owned telecommunications equipment maker, is continuing to reduce its losses, according to figures for the first nine months of 1983.

They show that the company, which makes telepbones, exchanges and telematic equipmeot, lost L23.4bn ($13.9m) over the period, in comparison with a 1982 nine month loss of L107.5bn. Sales were up 21.2 per cent at L660.3bn compared with the previous period.

Italtel, which has been steadily recovering since it was put under new management in 1981, had budgeted a loss of L40bo for this year on sales of L1150bn.

INTL. COMPANIES

Emirates to sell shares in restructured EGPC

BY ANGELA DIXON IN ABU DHABI

THE UNITED ARAB Emirates are to float shares in the *Emirates General Petroleum* Corporation (EGPC), according to Dr Mana Saeed Al Otaiba, the Oil Minister. "We are in the process of changing the legal *structure of EGPC to make it a* private enterprise company and to sell shares to the public," said Dr Otaiba, who is also chairman of the company.

EGPC is the federal government body which has responsibility for the distribution of oil products in the northern Emirates. It has a capital of U.S. $800m and has started a gas distribution network in the northern Emirates to supply fuel to power stations and some factories.

During the summer, a loan syndication for $190m to finance *this network fell* through. *This* was because of a clause in its articles of association limiting total borrowing to 25 per cent of issued capital except from *federally* owned *financial institutions.*

Lead managers in the syndication were Abu Dhabi Investment Company (ADIC), Arab Petroleum Investment Corporation (APICORP), Gulf Investment Bank (GIB) and National Bank of Abu Dhabi.

Subsequent to the dissolution of the syndication, EGPC raised $32m from APICORP alone, while a further $36m was raised as a club loan by the State Bank of India. In addition, supplier credits are being raised in the form of *promissory notes on* EGPC.

The limitation clause was recently lifted by the UAE Cabinet, but Dr Otaiba said that EGPC would not seek a fresh syndication. "EGPC is in a very good financial position," he said. "We are ready now to change it over to the private sector. We in the Emirates are encouraging the private sector."

This would seem to be a clear move by the government to encourage investment by UAE nationals in local public enterprise, and there is much talk of a stock exchange being set up here in the near future.

Associated Hotels refinancing

BY ROBERT COTTRELL IN HONG KONG

ASSOCIATED HOTELS, a Hong Kong hotels and property firm, says it hopes to ease liquidity problems with a financial package involving some of its bank lenders, and one of its principal shareholders.

The company said that certain "proposals" prepared by its financial adviser, the merchant bank Schroders and Chartered, had been put to a syndicate of banks which has a charge on Associated Hotels' main asset, the Hyatt Hotel in Hong Kong.

It also expected to receive support from Tian Teck Investment Holdings, a Singapore company controlled by members of the Chung family, which controls Associated Hotels.

Associated Hotels said that as *a result of its refinancing* plans it would be making available to the company HK$90m (US$11.5m) — part of which would be used to refurbish the Hyatt.

Associated Hotels showed loans of HK$1.2bn on its September 30 1982 balance-sheet, and reported a net loss of HK$310m for its 1982 financial year. Earlier this year, the Singapore arm of the Chung family took control of the company away from their Hong Kong relations.

● World International (Holdings), the shipping group controlled by Sir Y. K. Pao, has *reported near-static earnings* for the half-year to September 30. Net profits before extraordinary items totalled HK$237m (US$30.3m) against HK$235.8m *previously.*

An extraordinary debit of HK$0.3m was also reported. The dividend is maintained, for the second consecutive year. Earnings per share were reported at 16.8 cents, against 16.7 cents at 1982's interim stage.

In its interim statement, World says its debts are now 18 per cent lower than a year ago. On its last published balance sheet, at March 31 1983, the group showed current bank loans of HK$116m and long-term liabilities (including bond issues) of HK$1.8bn.

World's fleet at that year-end *comprised* 38 vessels of 4.3m tons deadweight. Its major non-shipping interest is a 45 per cent stake in the Hongkong and Kowloon Wharf and Godown Company, a *property group.*

Otis boosts profits for year by 20%

By Our Johannesburg Correspondent

OTIS ELEVATOR, the 70 per cent-owned South African subsidiary of the American conglomerate United Technologies increased its pre-tax profit by 20.6 per cent to R10.78m ($8.8m) in the year ended November 30, 1983.

In the previous financial year the pre-tax profit was R8.96m. The directors attribute the profit improvement to the combination of increased efficiency, strict cost control, higher than expected construction and modernisation activity and acquisitions. In March, Otis acquired the lift service portfolio of Competitor Express.

In line with usual practice the company is to distribute virtually its entire earnings as dividends. A total dividend of 35 cents has been declared from earnings of 35.1 cents a share. In the 1982 financial year earnings were 29.4 cents a share and the total dividend was 29 cents.

Vickers and Comsteel announce merger details

SYDNEY—VICKERS Australia and Commonwealth and Steel (Comsteel) have given details of their previously announced merger.

Vickers Australia shareholders will receive one share in a new company called Comsteel Vickers for every one Vickers share held and Comsteel shareholders will receive ten shares for every one held.

Vickers of the UK, which holds 66 per cent of Vickers Australia, will end up with 38 per cent of the new company.

Broken Hill Proprietary (BHP) will hold 38 per cent of the new company and Vickers existing minority holders will *have 17 per cent.* Comsteel minority shareholders will hold 7 per cent and the Australian public 24 per cent.

The merger is subject to the approval of both Vickers Australia and Comsteel shareholders, to court approval and to Government consent.

● James Hardie Industries, the Australian diversified building products group, has reported net profits *of A$16.3m* in first half ended September 30, compared with A$18.2m previously. Turnover was up at A$534.10m, against A$508.6m. Other income *was A$2.36m.*

An unchanged interim dividen of 11 cents is being paid.

James Hardie said it expects that profits for the year ending March 31 will be up on the previous year's after an anticipated strong second-half performance.

In 1982-83, annual profit fell to A$32.22m from A$41.09m in 1981-82.

Mr John Reid, the chairman, said encouraging signs in the Australian economy had now started to turn into increased activity and profit for the company. "The recovery which we began to feel in June started hesitantly but is now clearly under way," he said.

If the trend continues, group results in the current half will be substantially up on both the second half of 1982-83 and the first half of 1983-84, he added.
Reuter

Taiwan updates communications

BY ROBERT KING IN TAIPEI

NEW telecommunications services and regulations due to start in the next year or so will unblock bottlenecks for institutions and individuals in Taiwan seeking to transfer computerised data both nationally and internationally.

Such communications have until recently been prohibited *for security and technological* reasons. But by the middle of next year computer users such as banks and international companies will be able to transmit and receive data from branches and other computer systems abroad through Taiwan's telephone network.

Financial institutions thinking about participating in the newly approved offshore banking unit here have cited the lack of *international data* communications as the largest potential stumbling block to its successful operation.

By mid 1984 Taiwan's telecommunications authority will have in place a packet-switched network connected to other *similar* networks around the world. Users will be able to hook up to the network either through leased telephone lines or dial service. Charges will *be based on* the *volume of* data transferred rather than on distance point to point.

INTERNATIONAL APPOINTMENTS

Alcan Australia post

● John R. Plackett has been named managing director of ALCAN AUSTRALIA. He joined Alcan in the UK in 1955. Alcan UK and British Aluminium Company were merged at the end of 1982 to form British Alcan Aluminium, and Mr Plackett was responsible for the subsequent *rationalisation programme. Since* mid-1983, he has been general manager—mill and fabrication of Alcan Austraia. The Australian company is 70 per cent owned by Alcan Aluminium Limited.

● Mr Ephraim Weiniger has been elected chairman and president of WINDSOR LIFE INSURANCE CO of America. Mr Weiniger *remains chairman* and president of Intercontinental Life Corpn, which holds a majority of the shares of Windsor Life. Mr Weiniger replaces Mr Micael F. Cooney, who has served as acting president of Windsor Life since March 1983.

● Mr Georges Muller has succeeded Mr Henri-R. Lavanchy as board chairman of ADIA, the Swiss-based international temporary employment group. Mr Lavanchy, who founded ADIA in 1957, becomes honorary chairman.

● Mr J. N. Turnbull has been appointed a director of BP CHEMICALS. He is business general manager, polyolefins, based in Geneva. In addition to his current role, he will assume responsibility for the styrene polymers business, engineering and technical department and the Africa and Australasia region. Mr C. H. Thompson has assumed responsibility for the petrochemicals business, production department, personnel and administration department, external affairs division and the UK region.

● Mr Lars-Erik Wirsen has been *appointed managing director* of ASEA KABEL, Stockholm. He will take up the post at the annual meeting in March. Mr Wirsen joined ASEA in 1948 and has been general manager of ASEA Kabel's capacitor division since 1967. He succeeds Mr Douglas van Reis, who is resigning. He will remain at the disposal of ASEA's management for special assignments.

● UNION BANK OF SWITZERLAND is promoting, on January 1, Mr Franz Bucher, Mr Walter Isler, *Mr Ramon Koblet,* Mr Niklaus Knbil and Mr Hans Jenni to manager. Outside Switzerland, Mr Michael H. Finnell has been appointed senior vice president in Los Angeles, Mr Richard C. Capone first vice president in New York, Dr Karl W. Preisig manager in Singapore and Mr Adrian P. Warr sub-manager in London.

● Mr William F. Cave has been appointed vice-president, business development at PHH GROUP INC., the Baltimore based corporate services company. He will be responsible for new business development strategies and corporate acquisi*tions.* Mr Cave comes to PHH Group from the investment banking firm of A. G. Becker Paribas, Inc. of New York City. Prior to that he was associated with Lehman Brothers Kuhn Loeb of New York City.

● Mr J. Barry Hartland has become senior vice-president of sales of the AMAX molybdenum division of AMAX Inc. He is based at division headquarters in Golden, Colorado. Mr Hartland is succeeding Mr J. P. McGuire who has accepted a new executive assignment with the AMAX Metals Group at AMAX corporate headquarters in Greenwich, Connecticut. Most recently, Mr Hartland has been vice-president of sales and marketing for AMAX Nickel.

● Robert M. Davidson has been named senior vice president and director of new developments for PARSONS CORP. He will be responsible for developing new engineering / construction projects in which Parsons takes an equity position, as well as seeking out and evaluating potential acquisitions and investment opportunities for the Pasadena-based company. Mr Davidson has been vice president, secretary and general counsel to the Parsons Corp since joining the firm in 1978.

BET starts to climb with 17% rise

THE PREDICTION that profits of *British Electric Traction Co.* would start to climb away from their plateau has begun to materialise. At the halfway stage ended September 30 1983 they are 17 per cent above the corresponding period of 1982, rising from £27.07m to £31.77m.

Mr Hugh Dundas, chairman, says steps have been taken to concentrate more resources on the business sectors "we understand well." Considerable progress has been made by the acquisition of new businesses within those areas and by the disposal of interests lying outside them. An example is the sale of the oil interests to two of the North Sea partners in a deal worth £60m.

"We have also started to streamline our operations by merging similar businesses. Without changing our emphasis on service-orientated sectors, we are seeking to create a more dynamic group with greater profit potential," the chairman tells members. They benefit from a lift in the interim dividend from 1.863p to 2.25p net per share. Last year's total was 10p out of pre-tax profits of £70m.

In the half year group turnover moved ahead from £561.89m to £910.33m and the trading profit from £29.08m to £33.47m. Pre-tax profits would have been £870,000 higher but for a provision, for the first time, for depreciation on all freehold property.

Commenting on the individual sectors, Mr Dundas says in industrial services (profit up from £7.26m to nearly £8m) all the companies improved results, reflecting a better economic climate in the UK and sustained management effort. Turnover was up 5 per cent.

Prospects for privatisation of public services continue to boost confidence in this sector and BET is well placed to take selective advantage of these opportunities.

On turnover up 9 per cent, companies controlled by United Transport International managed a 26 per cent improvement in profits to £7.68m, despite continuing world-wide depression. This was largely due to strict cost control and to continued success of the South African operations. The recent entry into the U.S. has been "highly successful."

In construction, the housebuilding industry continued its recovery and Boulton & Paul had a very successful half year. The remainder of the construction market remained depressed, but the BET companies have achieved a creditable performance, so that on turnover up by only 6 per cent, the profit was ahead by 390 per cent to £7.31m.

The electronics side produced a profit of £8.2m, against £7.87m. Rediffusion's turnover was up 7 per cent and trading profit almost unchanged, but increased depreciation and much higher interest charges—largely attributable to heavy investment in rental equipment—reduced pre-tax profit by 21 per cent.

On turnover up 12 per cent, profits in leisure improved by 26 per cent to £2.09m, with better results from Thames Television and Wembley Stadium as main contributors.

Turnover in publishing rose by 20 per cent while profit was 4 per cent lower at £1.9m.

The results reflect heavy development costs on the new publications in the U.S. during the first quarter, which should pay "handsome dividends"

Tax takes £10.32m (£10.54m), minorities £2.2m (£3.3m), there is an extraordinary credit of £803,000 (debit £109,000), and the preference dividend again absorbs £52,000, to leave the balance attributable to the ordinary at £20m (£13.05m). Earnings are shown at 10.3p (8.7p) per share.

● comment

The recently spring-cleaned BET management has succeeded so far in persuading the City that brighter times are ahead. Yesterday's interim statement, showing a 17 per cent increase in pre-tax profits, hardly represented the dawn of a new age but it was enough to lift the shares 3p to 268p, 62 per cent up on their year's low. Rediffusion is not yet justifying BET's decision to buy out the minority but the group has never pretended that profits will leap ahead until the capital spending on VCRs tails off—and that is at least a year away. In the meantime, disposal proceeds (perhaps £80m this year) should comfortably offset the operating cash outflow and, with both leisure and publishing set to enjoy a strong first half, BET could stretch to £85m pre-tax for the year, against £70m last time.

United Scientific expands to £15.2m

SECOND-HALF pre-tax profits of United Scientific Holdings moved ahead from £7.86m to £8.51m and lifted the figure for the year ended September 30 1983 to £15.22m, compared with £12.51m

Turnover of this manufacturer of armoured vehicles, optical and electronic equipment, expanded by £24.81m to £131.79m and the dividend is lifted to 5p (4p) net with a final payment of 3p.

The group's order book is now in excess of £140m which the directors regard with some satisfaction, bearing in mind the general market conditions. They are hopeful of the current year showing some increase over 1982-83, and will comment further at the interim stage.

Tax charge amounted to £5.96m, against £3.97m, minorities took £81,000 (£112,000) and there were much lower extraordinary debits of £192,000 (£923,000). Earnings per 25p share were 17p (15.6p).

● comment

With a 44 per cent profits rise under its belt at the half way stage an increase of just 8 per cent in the closing six months was not what the market expected to see from USH. And the analysts didn't even have the comfort of an optimistic statement about future contracts to fall back on. The final blow was an order book of £140m—only £5m up on this time last year and the shares fell 27p to 335p. Yet the all important point about defence work is that at any given time a few major contracts are open. A company with an established track record can expect to pick up the occassional block-buster that will transform its order book—but of course they are not signed with convenient regularity. For example e British contract for Armoured Vehicles worth £600m or so spread over six years will eventually find a home. USH is probably in the running with a handful of others. The price may be heading for a dull run in the near future but that should not detract from a long term view which justified the glamour of a 19½ p/e.

Distillers tumbles £15m as whisky profits fall

A SUBSTANTIAL drop in profits by its Scotch whisky activities together with closure costs have left the Distillers Co with pre-tax results over £15m lower at midyear.

And in their interim report the directors warn that trading profits in the second six months are unlikely to compare favourably with the strong performance of those for the same period last year.

For the year as a whole, they take the view that profits will fall short of the £201m pre-tax reported for 1982-83.

Turnover for the opening six months, to end-September 1983, improved from £484.7m to £493m but at the trading level profits plunged by almost £10m to £65.5m—the group's brand names include Dewar's, Haig and Johnnie Walker scotch and Booth's and Gordon's gin.

Pre-tax profits, down from £80.2m to £64.9m, were struck after taking account of a related company loss of £2m (£0.3m), investment income of £4.7m (£4.5m), interest charges of £1m (£0.7m) and rationalisation, redundancy and closure costs of £4.3m (nil).

The interim *dividend is held at* 4.5p net.

United Glass, in which Distillers has a 50 per cent interest, incurred a £4m loss for the first six months of its financial year, including the cost of closure decisions.

Further substantial closures, costing approximetely £12m, were subsequently announced which the directors say will be taken into account

Tax for the half year accounted for £22m (£27m) and earnings emerged at 11.81p, compared with 14.76p.

● *comment*

The economic travail of a series of developing countries has imposed a double penalty on Distillers. With its shipments to places like Venezuela down by about half in the six months to September, overall export volume has dropped by rather more than the average 12 per cent decline experienced by the industry. At the same time, the *markets hardest hit* were those in which higher margin premium brands were concentrated. So trading margins have been squeezed by 15 per cent, and with a surprise £4.3m charge for rationalisation, pre-tax profits emerge 19 per cent lower at £64.9m. In the U.S., sales volume fell by about 5 per cent, against an industry decline of nearer 13 per cent. And there are signs that the decline here and in other areas of the developed world is now levelling off. However, for export volume to start making real headway, demand in the developing world needs to pick up, and this looks some way off. Meanwhile, Distillers' cash inflow seems to be drying up and further cuts in capacity can by no means be ruled out. The shares fell 9p yesterday to 220p.

Second half recovery leaves AE at £0.4m

SECOND HALF profits of £2.7m, against losses of £5.4m, have left AE, engineering component *manufacturer, £0.4m in the* black pre-tax, for the year ended September 30 1983. This is compared with losses of £0.2m for the previous 12 months.

Mr John Collyear, chairman, says that the figures mark a "real turning point and actual results for the first months of 1983-84 confirm this."

External sales for the period fell from £381.7m to £369.6m and although the interim dividend was omitted, the final distribution of 1.4p is equal to the two payments last time.

UK operating profits jumped from £4.7m to £9.9m in the second half, but overall group operating surplus amounted to *£14.2m, a fall of £2.4m on last* year.

This was split as to: UK manufacturing £16.2m (£15.2m); UK distribution £0.5m (£0.6m loss); AE South Africa £2.9m loss (£1.2m loss); other overseas companies £2.8m (£0.8m).

Exceptional debits—redundancy and related costs—were £2.1m lower at £4.3m, and the pre-tax figure was after interest payable, less receivable, down from £10.4m to £9.5m.

Tax charge for the 1982-83 year was £0.7m, compared with a credit of £1.8m and after minority credits, £1.2m (£1.5m) and extraordinary debits of £3m (£1m) the attributable loss came *out at* £2.1m (£1.6m profit). Dividends will absorb £1.4m (same).

● comment

A strong recovery in AE's profits from manufacturing in the UK — at £10.9m they were two and a half times higher in the second half as in the first — has made it possible for the group to come out just in the black, pre-tax, for the year as a whole. Since there seems to be a generally better tone in orders it looks as if this improvement could carry through into the current year, with a good start already in the bag. With continued efforts to reduce debt, capital gearing should be falling still further from the year-end 39 per cent, and income gearing will clearly be a great deal less than the 52 per cent suffered in 1983. So it would not be surprising if AE's attitude to a renewed offer from GKN — after the Monopolies Commission reports — were less receptive. At the very least AE would be likely to demand better terms, and if it professed a desire to remain independent, shareholders might take that as a serious option. The shares eased ½p to 60½p.

Phoenix Timber back in black with £0.53m

A swing back into profit and a return to dividend payments are reported by the Phoenix Timber Group for the six months to September 30 1983.

Pre-tax profits totalled £527,000 compared with losses of £596,000 after interest and other financial charges down from £998,000 to £954,000. Group turnover improved from £20.95m to £24.44m. An interim dividend of 1.5p is being paid—the first payment since 1981 when an interim of 1p was made.

The directors of this timber and sheet materials importer, merchant and processor, while not forecasting the result for the full year, feel that a note of caution should be expressed. Conditions in the second half are usually more difficult in the company's industry, and there are already indications that the current period will be no exception.

Tax took £19,000 this time, leaving £508,000 (£596,000 losses). There was an extraordinary debit of £57,000 (nil).

Earnings per 25p share were 17p against losses of 20p.

Flexello deficit increases after exceptional costs

AFTER EXCEPTIONAL costs of £122,315 this time, Flexello Castors and Wheels incurred pre-tax losses of £32,791 compared with profits of £3,814 for the year to the end of September 1983. A final dividend of 0.7p net, against a single interim last year, also of 0.7p, has been recommended in view of the directors' expectations for the current year.

They expect to restore payment of both an interim and a final for 1984.

The directors now say the current year has started well and prospects for 1984 are good.

Although some fall-off in demand is expected in the second half, largely due to seasonal influences, the directors look forward to their most successful and profitable year since 1979.

Turnover for the year under review came to £8.92m (£9.66m).

The exceptional expenses related to employment termination costs and expanses in connection with vacated buildings and disposals of leased buildings.

Tax credits came to £81,785 (£98,862) and there were extraordinary credits this time of £15,023. Earnings per 25p share came through at 1.48p (1.89p).

Fuller, Smith & Turner up to £1.5m

Improved pre-tax profits of £1.52m against £1.3m have been produced by Fuller, Smith & Turner for the six months to the end of September 1983. The second half has begun with trading above last year's level, and the directors are cautiously optimistic about full year results.

In the last full year pre-tax profits came to £2.6m and a total dividend equivalent to 4.45p net was paid after adjusting for e five-for-four scrip. The interim dividend has been effectively lifted from 1.778p to 2p. Earnings per £1 share expanded from 8.46p to 11.86p.

Turnover of this brewer, wine and spirit merchant moved ahead *from £13.63m to £15.37m.*

Redman sees better year ahead

AFTER FORECASTING a return to profitability at the interim stage Redman Heenan International made second half taxable profits of *£123,000*, compared with losses of £2.48m. However, these were not enough to make up for the first half deficit end this engineering products maker ended the year to September 30, 1983 with pre-tax losses up from £2.17m to £2.36m.

Looking ahead, the directors say there will again be losses in the first six months of the current year, though their plans indicate e return to profits for the whole year—as they expect an improved second half.

A critical factor in the year's outcome will be order intake in the next few months. There are plenty of inquiries in the pipeline, but they are proving "tantalisingly difficult" to convert to firm orders, the directors report.

The group's divestment programme has been completed with the disposal on satisfactory terms of all but one of the noncore companies; Mercia Engineering which operates profitably.

Progress was made in the principal core company, Froude Consine. In the second half it recovered from the disruptive effects of earlier reorganisation; marketing and operational efficiency both improved and it produced satisfactory output and profit figures.

The American core company, Froude Engineering Inc, also had a profitable second half through the remaining core company, Heenan Drives, was a disappointment, falling well short of market expectations.

The year's turnover fell from £38.65m to £29.37m, including a fall from £18.59m to £7.76m for discontinued business. Trading losses came to £1.41m (£1.18m) —including £499,000 (£1.25m) for discontinued business—and there was interest payable of £942,000 (£922,000).

After tax of £10,000 (£124,000), minorities of £10,000 (£12,000) and extraordinary charges of £549,000 (£2.12m) attributable losses emerged at £2.93m (£4.42m).

There is again no final dividend payment; the last distribution was an interim of 1.4p net per 10p share for the previous year.

K. O. Boardman Intl.

The return to profits expected at K. O. Boardman International last October has materialised in the first six months, with a pre-tax surplus of £58,000, against £193,000 losses, reported for the half year to the end of September 1983.

Turnover of this clothing manufacturer and importer, and commercial printer, expanded from £6.8m to £7.09m in the first half.

There was a charge for tax of £3,000 (credit £36,000). Earnings per 5p share came through at 0.22p compared with previous losses of 0.77p.

Stewart & Wight

Pre-tax profits at Stewart & Wight, South London retail baker and hotel owner, improved from £14,568 to £19,000 in the six months to September 24 1983.

First half turnover was up from £116,000 to £118,000. Depreciation was again £1,000, and tax a same-again £10,000, leaving net profits up from £5,000 to £9,000. Earnings per £1 share of this "close" company were 18.2p (9.28p).

London & Associated

An increase in pre-tax profits from £105,000 to £124,000 is reported by finance company London and Associated Investment Trust for the six months to the end of September 1983. The directors say the group continues to develop and results for the full year should be satisfac*tory.*

They expect to recommend an increased dividend compared with 0.167p last time. Earnings per 10p share were ahead from 0.29p to 0.42p

Authority Investments

Pre-tax profits of £216,000 have been produced by Authority Investments for the seven months to the end of April 1983, against losses of £3.68m for the year to the end of September 1983. The company is in the process of changing its year end to the end of April.

Turnover came to £1.49m (£1.11m).

After tax of £1.11m (£3.84m), earnings per 20p share were 4.31p (loss 73.76p).

Danae growth

For the half year ended November 30 1983, group net revenue of Danae Investment Trust rose from £119,096 to £153,264, after all charges including tax. At that date net asset value per income share stood at 52.31p, against 43.16p a year earlier, and per capital share it was 0.42p (nil).

Gross revenue for the half-year came to £324,622 (£287,430). Tax took £67,028 (£75,823) and minorities nil (£49,197). Earnings are shown at 2.19p (1.7p).

Synterials offer result

Application lists for the offer for subscription of 20m new ordinary shares, at 100p each in Synterials closed yesterday afternoon.

Approximately 516 applications were received for 13,433,004 shares and all applications will be allotted in full.

The balance of the shares being offered (approximately 32.84 per cent) will be allotted to the sub-underwriters at 100p per share.

Dealings in the company's shares are expected to commence on December 21.

They will be traded on the Unlisted Securities Market.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
AE	1.4	March 5	0.8	1.4	1.4
Arlington Motor ...int.	2.5	Jan 31	2.5	—	6.5
B.E.T. ...int.	2.25	April 6	1.86	—	10
British Steam ...int.	2	—	2	—	5.5
Burco Dean	Nil	—	Nil	0.1	Nil
C. H. Industrials ...int.	0.4†	Feb 24	0.25	—	1.7
Coats Stationery ...int.	0.45	April 6	0.45	—	2.15
Danae Invest. ...int.	1.75	Feb 29	1.6	—	4
Distillers ...int.	4.5	Feb 24	4.5	—	13
Doranakande ...int.	1.5	Jan 27	1	—	3
Elson & Robbins	2.5	Feb 7	0.1	2.5	0.1
English China	5.5	April 9	5.2	8.75	8.2
Flexello Castors	0.7	—	Nil	0.7	0.7
Fuller Smith ...int.	2	—	1.78*	—	4.45*
Haslemere Estates int.	2.09	Feb 3	1.9	—	7.9
Arthur Lee	0.3	Feb 24	0.3	0.6	0.6
Wm. Leech	1.5	Feb 24	1	2.5	1
John J. Lees ...int.	0.9	—	0.8	—	1
London Mchnt. Secs. int.	0.6	Feb 11	0.5	—	1.55
M. & G. Group	12	Feb 2	9	20	15
Nth. Midland Cust.	Nil	—	1.75	0.65	2.4
Paterson Jenks ...int.	1	Feb 6	0.7	—	2.8
Phoenix Timber ...int.	1.5	Feb 9	Nil	—	Nil
Plysu ...int.	0.8	Feb 26	0.68*	—	2.27*
Redman Heenan	Nil	—	Nil	Nil	1.4
Reliable Props.	1.75	Jan 31	1.25	3	2.5
Stakis	1.45	April 11	1.25	2	1.76
Tex Abrasives ...int.	0.75	Feb 3	0.75	—	3.25
TR Trustees ...int.	1.2	Feb 1	1.1	—	3.2
Unigate ...int.	2.75	—	2.5	—	6.8
Utd. Scientific	3	—	2.5	5	4

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock.

Gaelic loans exchanged for increased holdings

TWO MAJOR shareholders in Gaelic Oil are swopping short-term loans and accrued interest for e greater equity stake in the company.

Gaelic is proposing to place 4,618,740 ordinary 120p shares at par, representing 45.1 per cent of the enlarged equity, *with* Leethams (Ireland), part of the PMPA Group of companies, and Bula Resources.

During the latter part of 1982 and throughout 1983 Gaelic's exploration activities were entirely financed by loans from PMPA and Bula. These two companies currently hold 24.2 per cent and 29.5 per cent of Gaelic respectively. The placing will increase PMPA's shareholding to 37 per cent and Bula's to 37.6 per cent.

Shareholders will be asked to approve the placing at an extraordinary meeting called for December 30. At this meeting they will also be asked to increase the authorised capital from I£2m to I£3m.

Twice-subscribed Henara wins control of Dixor

Henara, the hair care products company which has launched a bid for Dixor-Strand and brought itself to the market by way of an offer for sale, announced yesterday that it has gained equity control of Dixor and its offer of shares has been almost twice *subscribed.*

Acceptances for its Dixor bid amount to 82.1 per cent of the capital. The offer has been declared unconditional and remains open until further notice.

Henara's offer for sale of 2.6m shares at 95p each attracted applications for over 5m shares. Applications from employees for 120,400 shares have been allotted in full. The remaining shares have been allocated on the following basis: *applications for 200* shares receive a full allotment, 400 to 2,000 get 60 per cent, 2,500 to 50,000 get 50 per cent and applications for over 50,000 will receive approximately 47 per cent of the amount applied for.

Unigate sustains solid upward trend with 54% half time growth

THE SOLID upward trend started last year at Unigate has continued, and with progress right across the group the profits for the half year ended September 30 1983 have reached a record £23.6m, which represents an £8.3m expansion on the 1982 period.

As for the rest of the year "prospects are promising," the directors state, and the full year should give further growth. In the year ended March 31 1983 the group profit was £43.7m (£38.2m), and a dividend total of 6.8p was paid. The current interim is being raised from 2.5p to 2.75p

In the half year Unigate Meat Holdings increased its trading profits to £1m and is still moving towards a better level of profitability. Gilspur (engineering, packaging) trebled its trading profits to £3.4m, aided by the economic upswing and firm business conditions.

Unigate Dairy Holdings is beginning to show the benefits of recent rationalisation and capital expenditure. Trading profits moved up 28 per cent and the company is "well positioned" to meet any challenge in its market place.

Group turnover rose from £786.8m to £855.5m, and trading profit from £24.6m to £31m. Finance charges were reduced to £8.3m (£10.1m) and reflected tight cash control, including lower capital expenditure of £29.9m (£38.4m). After tax £7.4m (£4.4m) and minorities £200,000 (£100,000) and a 500,000 extraordinary debit last time the attributable balance came out at £16m (£10.3m). Earnings are given as 7.3p (4.9p) net per share.

A breakdown of the trading profit shows:— Unigate Dairy Holdings £18.1m (£14.1m) Unigate Meat £1.8m (£0.7m): Wincanton Group engaged in transport and garages, £4.8m (£4.3m); Gilispur £3.4m (£1.1m); Unigate International £4.4m (£4m); other activities loss £1.3m (profit £0.4m). Geographically, the split was: UK £25.2m (£19.5m); U.S. £5.3m (£4.3m); elsewhere £0.5m (£0.8m).

See Lex

Burco Dean hit by loss on kitchen furniture

LOSSES still prevail at Burco Dean, manufacturer of domestic appliances, kitchen furniture, die-casting and plastic mouldings.

At the pre-tax level a deficit of £697,000, compared with £771,000, was incurred during the 12 months to September 30 1983. This was due to a loss on kitchen furniture, during reorganisation, but benefits are expected early next year.

Group turnover totalled £17.39m against £21.55m and the operating loss was £525,000 (£405,000). The taxable result included a £123,000 (£98,000) share of profits of joint venture and was after interest of £295,000 (£464,000).

The directors say that good order books now exist for factory assembled kitchens, and the new range of self-assembly kitchens received an enthusiastic endorsement from distributors.

There is no final dividend following a nominal interim payment of 0.1p—there were no dividend payments last year.

An extraordinary credit this year of £747,000, being profit on sale of the Carters fire and security alarm business in May, resulted in an attributable profit of £45,000 against a loss of £1.21m.

Better second half lifts English China to £46.5m

DESPITE a £1.79m decline by its leisure division English China Clays pushed its pre-tax profits up by £3m to £46.47m for the year to end-September with the second six months' contribution more than making up for the first half shortfall of £2.07m at £17.32m.

Clay profits were little changed at £26.33m (£26.29m), but quarries produced £13.35m, compared with £9.44m, and construction improved by £761,000 to £2.74m. Leisure fell from £2.03m to £240,000 and transport and services edged ahead to £3.82m (£3.75m).

Shareholders benefit by an increased final dividend of 5.5p (5.2p) which lifts their total payment by 0.55p to 8.75p net per 25p share.

Group turnover for the year advanced from £402.48m to £490.25m.

Pre-tax results were struck after deducting depreciation of £24.8m, against £19.94m previously.

The profits of the clay sector included contributions of £4.52m (£4.13m) from IDF International BV, £2.16m loss (£1.27m profit) from Horizon Exploration (Holdings) and £1.47m loss (£795,000 loss) from Katalistiks International BV.

BOARD MEETINGS

TODAY

Interims:— Clyff Oil, Greene King, Kennedy Smale, Mansfield Brewery, Oceonics Group, Parkfield Foundries, Wedgwood.

Finals:— Eldridge Pope, Hardys and Hansons, United Spring and Steel.

FUTURE DATES

Interims:—	
Brown and Tawse	Jan 9
Highgate and Job	Dec 22
Highgate Optical and Industrial	Dec 21
Memory Computer	Dec 19
Stead and Simpson	Jan 12
Sterling Industries	Dec 21
Sungei Besi Mines Malaysia	Dec 19
Syltone	Dec 19
Trust Securities	Dec 20
Finals:—	
Trident Television	Jan 17
Windsor Securities	Dec 20

Earnings emerged at 17.23p (20.02p) after a much higher tax charge of £18.5m (£11.04m).

● comment

After the first half setback, English China Clays has come back quite strongly in the second, with clay profits in the six months up by 18 per cent, quarrying by 32 per cent, and the only real black spot coming in the leisure division. The problem there consisted of UK holidaymakers shunning Haven Leisure's chalets in the high-tariff months of July and August, but Haven has now re-spread its tariffs as a counter-ploy, and should do at least £1m better this year. The other problem areas part-owned Horizon and Katalistics, are now getting the benefit of the upturn in oil exploration. In the clay division—90 per cent of whose output goes to the paper industry—the good news is that European paper mills are now working at around 90 per cent of capacity. And in quarrying—the star performer last year—there is a full year of roadworks to look forward to on the Plymouth bypass. On the dividend front, the song is that the present level of historic cost cover—twice—is seen as a minimum, and last year's higher rate of tax is set to continue this year. So there seems no room for dividends to rise by more than pre-tax. But even on a minimal £50m pre-tax, that would put the yield (on a price down 7p at 205p) at 6.5 per cent, and the prospective multiple at around 11.

M & G dividend boosted by 33% as profits soar to £6m

IMPROVED MARKETS, greater unit trust activity, a marked upturn in high yielding and recovery shares, and a better performance from the assurance sector have boosted taxable profits of M & G Group to £6.01m for the year ended September 30 1983, compared with £3.64m.

The dividend is lifted 33 per cent to 20p (15p) per share with a final of 12p (9p).

Directors say that there has also been a substantial appreciation in the value of investments, which with the increased profits, has produced a 53 per cent expansion in the group's net worth for the year.

Trading since the year end has continued to be good, in line with general market conditions.

After tax £2.3m (£1.25m) earnings per 25p share were well up at 40.56p, against 26.2p. Net asset value was 218.7p per share, compared with 143.3p.

● comment

The revival of unit trust investment obviously meant M & G was heading for an excellent year. In particular renewed interest in the group's established funds helped. It sold three "second hand" units to every new one last year against two to one in the previous months. Recycling units in a rising market is more profitable in tax sheltered terms and also in the short term than selling new ones. The shares which had been on a high of 617p before the results rose a further for a p/e of 15 and yield of per cent. This year the group will benefit from jacking up management charges from ½ per cent to ¾ per cent though will probably impact more 1984-85s results. Also M & G hopes to keep up the momentum and sidestep any thoughts that it might be a mature and unexciting business by dressing up some old funds, launching some new ones (a smaller companies Japanese fund is coming in the New Year) and grabbing new money from bank accounts. Even so it will probably be lucky to keep up its market share, purely because the sector is expanding so rapidly. As for being part of a large financial conglomerate the M & G men throw up their hands in horror. Purity will be worth a premium at some point they say — Kleinwort Benson please note.

C. H. Industrials expects to maintain improvement

IN LINE with expectations, first half pre-tax profits at C. H. Industrials rose from a depressed £83,000 to £317,000 and the directors expect the improvement to continue in the remaining six months.

Group turnover for the six months to October 1 1983 increased to £8.81m against £7.58m, from which higher operating profits of £324,000, compared with £160,000, were made. Associated company losses were reduced by £70,000 to £7,000.

This industrial holding company has interests in the manufacture of automotive trims, building products, decorative trims and synthetic foam.

In the general industrial division turnover improved by 58 per cent, compared with the poor sales performance in the corresponding period when losses were experienced in the synthetic foam operation.

Profits in this sector continued to recover and, in addition, Tudor Webasto, a 50 per cent owned associate, sharply increased its turnover and contributed profits of £23,000 compared with a £56,000 loss last year. This associate is now developing satisfactorily, the directors state.

However, the property division produced lower profits. External rental income amounted to £130,000 but, as previously indicated, the property development programme for the current year is at a lower level and development sales are not expected until the second half.

To partly reduce disparity, the interim dividend is being lifted from 0.25p to 0.4p on capital increased by rights issue. In the year to last March the company made taxable profits of £721,000 (£242,000) and paid a final dividend of 1.45p (0.493p).

First half tax was £29,000 (£13,000) and there was a minority interest credit of £18,000 (debit £1,000). Stated earnings per 10p share were 2.15p against an adjusted 0.54p.

BANK RETURN

BANKING DEPARTMENT

	Wednesday December 14 1983		Increase (+) or Decrease (—) for week
Liabilities	£		£
Capital	14,553,000		—
Public Deposits	44,363,593	+	4,712,684
Bankers Deposits	649,934,768	+	87,506,144
Reserve and other Accounts	1,647,420,287	—	12,599,565
	2,356,261,668	+	79,621,203
Assets			
Government Securities	382,458,684	+	6,503,827
Advances & other Accounts	947,300,363	+	6,711,455
Premises Equipment & other Secs.	1,018,202,845	+	65,692,246
Notes	8,144,458	+	8,728,544
Coin	154,328	—	16,868
	2,356,261,668	+	79,621,803

ISSUE DEPARTMENT

	£		£
Liabilities			
Notes issued	12,160,000,000	+	330,000,000
in Circulation	12,151,855,542	+	327,271,456
in Banking Department	8,144,458	+	2,728,544
Assets			
Government Debt	11,015,100		—
Other Government Securities	4,688,061,874	+	566,481,588
Other Securities	7,460,923,026	—	236,481,588
	12,160,000,000	+	330,000,000

1.2m profit s Elson & Robbins pick p continues

ROFITS HAVE continued to earned, and have increased. Elson & Robbins, which akes Duflex seating springs id vinyl foam. After a return the black with £413,000 in the st half, the group has moved head to £1.21m for the full year ded September 30, 1983.

As hinted in the midway port the group is returning to e "normal" dividend list. The irectors are recommending 2.5p et per share, which compares ith nominal payments of 0.1p each of the last two years hen losses of £440,000 (in 981-82) and £1.06m were curred.

Trading conditions remain ery competitive, but the curent year has started well, the irectors report. Borrowings are own and they believe that the ompany's return to "other than ominal dividends" is of a coninuing nature.

Turnover for the year came to 18.24m (£14.16m). After tax 201,000 (£46,000) and minories £18,000 (30,000), the net ttributable was £994,000 (loss 516,000). Earnings are stated at 9.99p per share (loss 5.26p).

Hufcor (Partitions) achieved record sales of £881,000. However, margins were under pressure and profits before interest were slightly down at £90,419, less an exceptional charge of £19,421. During the year it became obvious that the Interfinish Product Line was unprofitable and the decision was taken to cease production and marketing.

Sales at Elson & Robbins increased by almost 10 per cent to £7.5m, but trading profit before interest showed only a marginal rise to £513,955.

Domestic Industrial Pressings increased its exports from £115,000 to some £2.9m, mainly reflecting its success in the U.S. market.

LMS result slips to £3.6m midway

FOR THE half year ended September 30 1983 London Merchant Securities has experienced a slight drop in profits before tax to £3.55m, against a restated £3.83m.

Overall, the company's results for the full year may confidently be expected to resume the upward trend in revenue and net asset growth, claims the chairman, Lord Rayne.

He says net rental income from investment property has advanced from £5.02m to £5.21m and that trend is being maintained. At the same time the recovery at Carlton Industries is reflected in the increased (from £88,000 to £601,000) share of profits of associates.

As expected, these increases have been offset temporarily by the effect of substantial expenditure on property and energy development, as well as other important investments, including First Leisure Corporation.

On the property side, the outstanding Angel Centre office complex is now being marketed and continued growth in the revenue and capital value of the investment portfolio is being maintained.

Gross rental income from investment properties came to £6.39m (£6.06m), and trading turnover amounted to £2.03m (£858,000). After tax £1.85m (£1.93m) minorities £366,000 (£386,000) and retentions £369,000 (credit £25,000) there is £970,000 (£1.55m) attributable to LMS. Earnings were 0.84p (0.95p) per share.

Lord Rayne says in the second half the contribution from associates will be augmented by Century Power and Light's share of income from the Maureen field, as well as its newly acquired interest in the Forties field.

Benefit will also come from the continuing improvement at Carlton and the success achieved by First Leisure in the year ended October 31 1983, in contrast to the seasonal loss which the business traditionally sustains in the first half.

The interim dividend is raised to 0.6p (0.5p) net. Total for 1982-83 was 1.55p from pre-tax profits of £7.86m.

● **comment**

London Merchant has for some time been a prime case of jam tomorrow, but it does look as if at least a spoonful should be forthcoming in the second half. Century is now at maximum production of 90 barrels a day in the Maureen field, and the stake in First Leisure should make a first time contributions. Since First Leisure is in effect consolidated six months in arrears, the first half figures contain only the losses attributable to out-of-season holiday activities. Perhaps most important, the Angel Centre remains unlet, with LMS holding out for a single tenant for the whole building. On the other hand, with the share price unchanged at 65p, the running historic yield is only 3.71 per cent, and the historic actual tax multiple is over 30 fully diluted. Not much to go for in the short term.

Arlington Motor rises to £1.03m at halfway

AFTER A fall in interest charges from £509,000 to £369,000 taxable profits of motor dealer Arlington Motor Holdings advanced by £524,000 to £1.03m in the first half to September 28, 1983. Turnover moved ahead from £32.91m to £34.83m.

The interim dividend is being maintained at 2.5p net while earnings per 25p share are given as more than doubling from 10.2p to 21.9p. For the previous year a total payout of 6.5p was made from pre-tax profits of £1.06m and earnings per share of 21.3p.

Trading profits grew from £1m to £1.38m and the taxable figure included Arlington Motor Finance profits of £20,000 (£11,000). After a same-again tax charge of £48,000 net profits emerged at £982,000 compared with £458,000. Last time there was also an extraordinary credit of £310,000.

Plysu rises and confident on outlook

PLYSU, manufacturer of plastic containers and domestic wares, improved pre-tax profits by £304,000 to £1.63m over the 28 weeks ended October 8 1983 and is effectively lifting its interim dividend from 0.681p to 0.6p net per 10p share.

Containers growth came, in the main, from recently introduced products rather than from any resurgence in demand for the company's basic range. Housewares more than held its own in an increasingly competitive market.

The directors remain confident that this pattern of growth can be sustained with containers continuing to benefit from the development of markets that are new to company.

First half turnover totalled £12.33m (£10.8m), tax accounted for £725,000 (£594,000) and earnings amounted to 6p (4.8p adjusted) per share.

Group pre-tax profits for the 1982-83 year improved to £2.65m and a final dividend equal to 1.5909p was paid.

Stakis up £2m and lifts payment

GROWTH HAS continued at Stakis, the hotels, restaurant and gaming group. There is a charge this time of £269,000 for employee share schemes but the profit still showed a £2m increase to £8.46m for the year ended October 2, 1983. Shareholders benefit with a final dividend of 1.45p, which lifts their net total from 1.78p to 2p.

In the current year, initial trading signifies continued profit growth, the directors state.

Turnover increased from £88.23m to £99.83m, and the trading profit from £6.49m to £8.02m. Hotels and inns contributed £4.39m (£3.23m) including exceptional profits £542,000 (£341,000) arising on the sale of properties and gains of £55,000 (£494,000) from insurance claims. Casinos accounted for £2.77m (£2.23m) and wines and spirits for £864,000 (£1.04m). Asset leasing and interest charges showed a reduction of £741,000.

Tax takes £866,000 (£314,000), after allowing for £280,000 (£229,000) overprovisions of previous years, and last time there was an extraordinary credit of £359,000. Earnings are shown at 8.57 (7.27p).

● **comment**

The move of Glasgow based Stakis into London with the purchase of the Russell Square Casino and the St Ermin Hotel has got off to an auspicious start. The Casino was bought in May, the hotel just contributed two months to profits for the year to October 2. Together they might add £1.5m in the current year. Generally the hotels and inns division benefited from the stronger dollar which brought back tourists, and business traffic was up. Casinos, which have performed dully until recently, appear to have picked up some of the increase in consumer spending. Wines and spirits was the only disappointment, though even there turnover has held up well in a very depressed market. The property contribution of £542,000 up from £341,000 is likely to continue to rise. Gearing has only risen a couple of per cent above the 20 per cent level at the interim. The shares rose ½p to 88p giving a PE of almost 10 and a yield of 3.3 per cent.

Midterm uplift by Paterson Jenks to £1m

A sharp upturn in the first half at Paterson Jenks has produced higher pre-tax profits of £1.07m against £651,000 for the 26 weeks to September 24 1983. Turnover of this maker of food and other grocery products expanded from £14.99m to £18.85m.

Mr Dennis Jenks, chairman, says that results were fully in line with plans. With strong sales and profit performances from each of the divisions to date, he expresses confidence that results for the year to the end of March will be satisfactory.

In the last full year, pre-tax profits came to £1.82m.

The interim dividend has been lifted from 0.7p to 1p, but the directors say that this does not anticipate the level of increase for the year. They have decided that a larger proportion of the total should be paid as the interim. In the last full year a total of 2.8p was paid.

Basic earnings per 25p share moved up from 4.11p to 5.94p—fully diluted they came to 4.45p (3.23p).

Haslemere Estates down to £2.7m

AFTER higher interest charges and lower profit from property trading, pre-tax profits at Haslemere Estates fell from £3.53m to £2.71m for the six months to the end of September 1983.

The directors anticipate that profits from property trading in the second six months will show a substantial increase over the figure for the first half.

They say that net rental income for the first six months was reduced from £7.83m to £7.63m (1982 from £7.32m to £7.26m) by outgoings on developments completed over one year ago but not yet income-producing.

Net rental income for the period under review came to £7.63m (£7.26m).

The interim dividend has been raised from 1.9p to 2.09p net—in the last full year a total of 7.9p was paid from pre-tax profits of £7.09m. Earnings per 10p share for the six months fell from 7.27p to 5.55p.

Gross rental income grew from £9.16m to £10.13m, while trading sales and joint venture income fell from £2.1m to £1.04m.

Profit from property trading fell from £780,000 to £446,000 and development outgoings rose from £220,000 to £328,000. Administration expenses moved ahead from £850,000 to £930,000.

● **comment**

Haslemere Estates has a high quality portfolio of properties under development assuring sound growth in assets over the next couple of years, even if the profit comes through rather unevenly. Haslemere does not capitalise interest on developments and financing is at a high level at the moment. The lettings market has been quiet with the result that the figure for the first-half is lower than anticipated. Some ground may be made up in the second half, and trading profits of £2m are looked for, making pre-tax profits of over £8.5m the target of analysts for the year. Two good City developments — Sherbourne House, Cannon Street and Bury Court House, Bevis Marks — are due for completion next year bringing the prospect of a further income and asset growth. After a strong run up before the interim figures, the shares fell 12p to 458p yesterday where they still stand at a significant discount to net assets of 657.3p at the balance sheet date. The 1p increase in net dividend to 2.09p gives a yield of 2.5 per cent.

British Steam nears £1m in opening half

An increase of £214,000 to £970,000 in pre-tax profits is reported by the British Steam Specialties Group for the six months to September 30 1983. An unchanged interim dividend of 2p net has been recommended—last year's total was 5.5p from pre-tax profits of £706,000 (£2.18m). A one-for-10 scrip issue is proposed.

Turnover of this Leicester-based specialist supplier of pipeline equipment, improved from £27.41m to £27.95m, and trading profits were higher at £1.31m compared with £1.14m.

The pre-tax figure was after finance charges down from £383,000 to £336,000. First half tax rose from £310,000 to £338,000.

In July the group said it had reached agreement with Tilbury Group for the sale of Lane Brothers (Mansfield) for an initial consideration of £100,000, payable in cash. Further amounts, estimated at £60,000, were contemplated.

Wm Leech recovery maintained

AS INDICATED at the time of its interim statement, William Leech has shown a substantial increase in pre-tax profits for the year to August 31 1983. Profits climbed from £406,000 to £1.13m—and all were achieved in the second half. At halfway, this house-building group had cut its losses from £874,000 to £171,000.

A breakdown of group pre-tax profits shows that housebuilding and development increased to contribution from £471,000 to £1.05m; contracting was down from £439,000 to £227,000; property investment was little changed at £212,000 (£205,000), and the leisure division reduced its losses from £709,000 to £367,000.

The directors say steps have been taken over the past few years to reduce the group's dependence on its traditional areas of operation and to diversify geographically. The effect to date is that approximately 60 per cent, by value, of its land with planning permission is now outside the North-east of England.

The group has a strong land bank, the underlying value of which has increased substantially on the recent receipt of planning permission on appeal for a large parcel of white land in an up-market location.

The total dividend is raised from 1p to 2.5p with a final up from 1p to 1.5p.

Group turnover for the year increased from £45.72m to £52.65m. The pre-tax profits was after administration and selling expenses lower at £4.47m (£5.31m) and financial charges of £2.95m (£4.18m), but including property investment income down from £617,000 to £242,000, profit on sale of investment properties £7,000 compared with £1.56m, and share of related companies profits of £133,000 (£102,000).

Tax for the year almost doubled at £262,000 (£134,000). The sale of a joint subsidiary produced a profit of £90,000 this time. Earnings per share were 5.8p (1.8p).

COMPANY NEWS IN BRIEF

Brunner Investment

The net asset value per 25p share of Brunner Investment Trust rose by 3.8p to 78.4p during the second half to September 30 1983. The value a year ago was 62.8p.

A final dividend of 0.975p is declared, and compares with an adjusted 0.95p, making a total of 1.83p (1.68p).

Investment income for the year was £2.64m (£2.33m) and other income totalled £11,000 (£54,000). After administration expenses of £160,000 (£133,000) and debenture and loan interest of £707,000 (£581,000) the taxable profit was £867,000 (£714,000). Tax charge was £685,000 (£531,000). Stated earnings were 1.84p (1.76p).

Modern Engineers

At the trading level, Modern Engineers of Bristol (Holdings) has returned to the black with £3,000 for the first half of 1983, compared with a loss of £222,000. However, there are exceptional charges of £160,000 (redundancies £65,000) which give an attributable loss of £157,000 (£287,000), equal to 5.2p (7.4p) per share.

The exceptional charge arises from the directors' decision to adopt a changed and more conservative approach to the valuation of certain aspects of work-in-progress.

Amal. Financial

On turnover of £43,779, against £44,000, pre-tax profits of Amalgamated Financial Investments rose slightly to £12,783, for the half year ended September 30 1983, compared with £11,000.

Tax charge was £9,574 (£7,000) and extraordinary debits last time amounted to £54,000.

Moorgate Investment

Net asset value per 25p share of Moorgate Investment Trust was 244.6p as at November 30 1983. This is compared with 234.2p at May 31 last and 193.4p at November 30 1982.

Earnings available for the six months came out at £222,705, compared with £198,320 equal to 4.78p (4.26p) per share. The interim dividend is increased from 2.75p to 3.25p net—last year's final payment was 6.05p and earnings available were £434,469.

TR Trustees Corp.

Net asset value per share at TR Trustees Corporation improved by 7.3 per cent from 130.9p to 140.4p in the six months to November 30 1983. Earnings per share for the half year rose from 1.78p to 1.81p, and the interim dividend has been increased from 1.1p to 1.2p net. The directors expect that last year's final of 2.1p will at least be maintained.

First half pre-tax profits rose from £2.38m to £2.49m; and gross income was higher at £2.99m (£2.86m). Management expenses, including debenture and loan interest of £311,924 (£331,251), were up from £485,000 to £501,000. Tax, including withholding tax of £86,573 (£70,517), was £856,000 (£777,000).

John J. Lees

Pre-tax profits of confectionery manufacturer John J. Lees improved from £40,000 to £64,000 over the six months to end-September 1983 and the net interim dividend is increased by 0.1p to 0.9p per 10p share.

Sales rose to £1.39m (£981,000) and figures for October and November show a continuation of this trend. Raw material prices are rising.

Earnings for the half year totalled 4.32p (2.07p). The results exclude those of Heather Cameron Foods, in which Lees has a 51 per cent interest.

Harold Ingram

Harold Ingram, engaged in the design, manufacture and marketing of knitted garments, incurred a lower pre-tax loss of £33,247, against £57,822, in the six months to October 31 1983.

However, the loss this time was after deducting £35,000 of extraordinary items of non-recurring expenditure, which includes professional charges in connection with the takeover by the Wasskon Establishment, and rent and rates of properties due to be vacated.

Turnover for the six months was £1.67m, against £2.17m. In the year to the end of last April a profit of £2,799 was earned on turnover of £3.79m.

The directors believe that a reasonable profit will be made for the full year, enabling the company to return to the dividend list.

Albion progresses

After returning to the black at the interim stage, Albion has continued its progress and reports pre-tax profits of £480,950 for the year to September 30 1983. In the previous year, the company had losses of £748,160. Interim profits were £240,000 against losses of £370,000. No dividend is again being paid—the last payment was a single distribution of 0.8p for 1979-80.

Turnover of this men's outerwear manufacturer fell from £9.27m to £6.58m. No tax was payable against £2,457 last time. There were minority credits of £4,296 (£11,099), and extraordinary debits of £31,929 (£347,230). Earnings per share were 13p (loss 19.7p).

Reliable Properties

Profits before tax of property dealing company Reliable Properties rose by £152,908 to £574,136 for the year to end-June, 1983 and a final dividend of 1.75p raises the total by 0.5p to 3p net per 25p share.

Tax accounted for £281,146, against £237,113.

North Midland

North Midland Construction, civil engineer and public works contractor, dived into the red in the second half and finished the year with a small taxable profit of £13,000 against £285,000.

Turnover for the year fell from £8.54m to £7.43m. The second half loss was £115,000 compared with a £175,000 profit.

The final dividend is omitted, leaving the interim payment of 0.65p as the year's total, compared with 2.4p last year when a 1.75p final was paid.

Tax for the year was £16,000 (£13,000), leaving a net deficit of £3,000 (profit £272,000). The loss per share is given as 1.92p (earnings 9.5p).

Cooper Industries

Steel re-coiler, precision engineer Cooper Industries turned in profits of £207,000 pre-tax for the six months ended October 31 1983, compared with £196,000 losses last time.

The directors, who said earlier in the year that the Wolverhampton-based group was continuing to progress, now view the future with guarded optimism.

Turnover expanded from £6.5m to £9.34m and the pre-tax figure included associate's share of £23,000, against £31,000.

After tax of £44,000 (£66,000) the attributable balance came out at £163,000 (£262,000 loss), equal to 0.5p per share (0.8p loss).

Continuous Stat.

Taxable profits of Continuous Stationery declined from £227,113 to £160,017 in the six months to September 30 despite a slight improvement in turnover to £2.14m, compared with £2.1m.

Earnings amounted to 1.53p (2.18p), after a lower tax charge of £83,200 (£118,000), but the net interim dividend is held at 0.45p per 10p share—the company prints computer stationery.

Tops Estates

Pre-tax profits of USM stock Tops Estates rose from £1,382 to £15,008 in the six months to September 30 1983.

Rents and services recoverable, of this office and shop property investor which is 79.25 per cent owned by Comet Investments, totalled £32,382 (£20,917). From this, property outgoings took £7,563 (£11,942), administration expenses £4,183 (£2,312), interest £5,785 (£5,722). Other income added £137 (£441).

Noranda hopeful but cautious

BY KENNETH MARSTON, MINING EDITOR

WHILE Canada's Noranda Mines is expected to show another loss for this year—albeit much reduced from the 1982 net deficit of C$82.9m (£46.8m) — a better year is expected in 1984, reports Robert Gibbens from Montreal.

Mr Alfred Powis, the Noranda chairman, said in an interview that economic recovery in Europe and an upsurge in North American capital investment held the key to the company's performance next year.

He pointed out that it would take a world copper price of 80 cents (U.S) to $1 per lb — currently it is around 68 cents—to persuade Noranda to reopen any of its closed copper mines and such higher prices cannot be predicted for 1984 at present.

Some improvement would come, said Mr Powis, especially if Europe turns around because it uses more copper than North America. But the pick-up might not be fast enough to prevent a further extension of the shutdown in the company's large Murdochville copper mine in the Gaspe area of Quebec.

Nor can Noranda think of developing the underground orebody at Murdochville which, in normal times, would be classified as a major discovery. Ironically, the company's copper smelter at Gaspe is being kept in operation mainly with ore from Chile.

Mr Powis said that the north-western Quebec copper smelter and the Montreal electrolytic refinery are fairly active, using custom feed material. He added that zinc and aluminium were the only metals showing strength, but the silver produced in association with zinc was suffering from low prices.

Turning to Noranda's important stake in the burgeoning Hemlo gold camp in north western Ontario, Mr Powis said that the construction timetable for the developing Golden Giant mine and mill had "slipped slightly."

Golden Giant, in which Noranda joined the original partners, Golden Sceptre Resources and Goliath Gold Mines, is now expected to reach production at a daily ore milling rate of 1,000 tonnes by the late spring of 1985

Agnico-Eagle dividend increased to 12 cents

CANADA'S Agnico-Eagle Mines gold and silver group provides some Christmas cheer for shareholders with a sharply increased dividend of 12 cents (U.S.). It follows a payment of 5 cents for the previous year; nothing for 1981; 15 cents for 1980; and the initial 10 cents paid for 1979.

So far this year the gold price has averaged around $420 per ounce compared with the average of $376 for all of 1982. Agnico-Eagle has also benefited from the resumption of its sales of silver after having previously stockpiled the metal in the hope of a rise in prices.

Thanks to these resumed sales of silver, earnings for the first half of the year rose to a restated C$4.66m (£2.63m) compared with only C$1.84m in the same period of 1982. Earnings for the third quarter of this year, however, eased to C$2.57m.

In line with lower precious metal prices, they may lose some further ground in the current three months. But the total for 1983 should still match the C$8.7m, equal to 61 cents per share, reported for 1982. The shares are around C$18.

MINING NEWS IN BRIEF

The discovery in the Pacific Ocean of large deposits of cobalt at twice the concentration found in the past is reported by the U.S. Geological Survey. Deposits of cobalt, nickel and manganese were found between the Haiwaiian islands and Samoa by geologists aboard the research vessel, S. P. Lee.

Higher than expected cobalt grades of 2.5 per cent were found in dredge samples together with nickel (0.8 per cent) and manganese (32 per cent). The discoveries occurred in a region of about 4bn acres in a U.S. exclusive economic zone proclaimed in March by President Reagan. The U.S. has no domestic source of cobalt.

* * *

The rise in zinc prices is improving the fortunes of Nanisivik Mines the zinc and lead producer on Baffin Island in Canada's Eastern Arctic. During the 1983 shipping season the mine dispatched a record total of 146,900 tonnes of lead and zinc concentrates.

Mineral Resources International is at long last beginning to benefit from its 54 per cent stake in Nanisivik and has reported a nine months net profit of C$4.1m against a loss of C$0.9m in the same period of last year.

* * *

Canada's major gold-producing Campbell Red Lake Mines is starting to realise an appreciable revenue from its oil and gas interests. For the first nine months of the year this income amounts to C$7.4m (£4.18m) compared with C$6.4m in the same period of last year.

* * *

Australia's Valiant Consolidated says it has intersected wide zones of gold mineralisation in its first drilling programme at the Calypso prospect in a previously unexplored area for gold, 24 km south-east of Leonora in Western Australia.

Valiant is the manager of the joint venture with a 20 per cent stake. Partners are Strategic Minerals Corporation (20 per cent), Union Oil Development Corporation (10 per cent), Utah Development (10 per cent) and Anglo Consolidated (Australia) (40 per cent).

Arthur Lee reduces deficit

PROFITS were made by Arthur Lee and Sons, manufacturer of steel bars, strip and wire rope, in the second half, which reduced the interim deficit of £759,000 to £571,000 by the year end. In the comparable first and second half periods last year, profits were £522,000 and £214,000.

The loss for the year to September 30 1983 was after redundancy costs of £232,000 and significant costs incurred in the restructuring of the group's unprofitable bright bar operations.

Losses were also sustained in the two wire making subsidiaries, where rationalisation measures have been carried out.

Group turnover for the 12 months fell from £60.2m to £56.32m, but, as indicated at the interim stage, demand showed some improvement in the latter months of the year.

Looking ahead, the directors say that demand for the majority of the group's products is currently being maintained at the improved levels. However, margins remain under pressure.

Barrington Products (Leics), manufacturer of injection moulded plastic products which was acquired in May, returned a profit of £89,000 in the six months to September 30 of which £35,000 has been included in the overall result.

The tax charge for the year was £71,000 (£130,000), giving a net deficit of £642,000 (profit £606,000) equal to a loss per share of 2.11p (1.92p earnings). The final dividend is held at 0.3p net for an unchanged total of 0.6p.

There were below the line extraordinary items of £182,000 (£205,000), being the cost of withdrawing from manufacture of certain products, notably stainless wire.

BASE LENDING RATES

A.B.N. Bank	9 %	■ Hambros Bank	9 %
Allied Irish Bank	9 %	Heritable & Gen. Trust	9 %
Amro Bank	9 %	■ Hill Samuel	§9 %
Henry Ansbacher	9 %	C. Hoare & Co.	†9 %
Arbuthnot Latham	9 %	Hongkong & Shanghai	9 %
Armco Trust Ltd.	9 %	Kingsnorth Trust Ltd.	10 %
Associates Cap. Corp.	9½%	Knowsley & Co. Ltd.	9½%
Banco de Bilbao	9 %	Lloyds Bank	9 %
Bank Hapoalim BM	9 %	Mallinhall Limited	9 %
BCCI	9 %	Edward Manson & Co.	10 %
Bank of Ireland	9 %	Meghraj and Sons Ltd.	9 %
Bank Leumi (UK) plc	9 %	Midland Bank	9 %
Bank of Cyprus	9 %	■ Morgan Grenfell	9 %
Bank of Scotland	9 %	National Bk. of Kuwait	9 %
Banque Belge Ltd.	9 %	National Girobank	9 %
Banque du Rhone	10 %	National Westminster	9 %
Barclays Bank	9 %	Norwich Gen. Tst.	9 %
Beneficial Trust Ltd.	10 %	R. Raphael & Sons	9 %
Bremar Holdings Ltd.	9 %	P. S. Refson & Co.	9 %
Brit. Bank of Mid. East	9 %	Roxburghe Guarantee	9½%
■ Brown Shipley	9 %	Royal Trust Co. Canada	9 %
CL Bank Nederland	9 %	Standard Chartered	‖9 %
Canada Perm't Trust	10 %	Trade Dev. Bank	9 %
Castle Court Trust Ltd.	9½%	TCB	9 %
Cayzer Ltd.	9 %	Trustee Savings Bank	9 %
Cedar Holdings	9 %	United Bank of Kuwait	9 %
■ Charterhouse Japhet	9 %	United Mizrahi Bank	9 %
Choulartons	10½%	Volkskas Intnl. Ltd.	9 %
Citibank Savings	¶10½%	Westpac Banking Corp.	9 %
Clydesdale Bank	9 %	Whiteaway Laidlaw	9½%
C. E. Coates	9½%	Williams & Glyn's	9 %
Comm. Bk. of N. East	9 %	Wintrust Secs. Ltd.	9 %
Consolidated Credits	9 %	Yorkshire Bank	9 %
Co-operative Bank	*9 %		
The Cyprus Popular Bk.	9 %		
Dunbar & Co. Ltd.	9 %		
Duncan Lawrie	9 %		
E. T. Trust	9½%		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	10½%		
Robert Fraser	10 %		
Grindlays Bank	‡9 %		
■ Guinness Mahon	9 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.5%. 1-month 5.75%. Short-term £8,000/12 months 8.1%.
† 7-day deposits on sums of under £10,000 5½%, £10,000 up to £50,000 6¼%, £50,000 and over 7¼%.
‡ Call deposits £1,000 and over 5½%.
§ 21-day deposits over £1,000 6¼%.
¶ Demand deposits 5½%.
‖ Mortgage base rate.

BIDS AND DEALS

McCarthy & Stone to raise £12m by rights

By Alison Hogan

McCarthy & Stone, builders of sheltered homes for the elderly, is to raise £12.1m through a rights issue. It has also applied to the Stock Exchange to graduate from the USM to a full listing.

Since going public in May 1982, the company has grown rapidly. Turnover increased 119 per cent in the year to August 31 from £5.98m to £13.07m. Pre-tax profits rose 71 per cent to £3.68m. The final dividend of 2.5p net makes e total of 3.5p adjusted for a 1-for-1 scrip in July, compared with 2p in 1982.

The rights issue is of 4,166,650 new ordinary shares of 20p each at 300p per share on the basis of one new ordinary share for every four ordinary. The issue will reduce gearing which was about 100 per cent at the year end and finance expansion plans for the current year.

In the past 12 months, regional offices have been opened in Eastbourne, Halesowen, Bedford, Altrincham and Glasgow. There are 1,500 homes under construction at present, a figure which is expected to rise to 2,500 by the end of the next calendar year.

Sales in the first quarter of the current year were 195 compared with 85 for the same period last year. Sales for the whole year to August were 492 units up from 290 units.

Dealings in the new shares begin today, December 15. The last time for acceptances and payments in full is Thursday January 5.

● comment

With the market in sheltered homes estimated to be at least 25,000 units a year, McCarthy and Stone has little worries about competition in the short term. It makes sense to get national coverage, and establish itself as the market leader, before others get a foothold. The time lag between site purchase and final sale has inevitably pushed up borrowings quickly considering McCarthy's rate of growth. Borrowings are £7m against shareholders' funds of £8m before the rights issue. Margins which have been a generous 31 per cent have been clipped to around 28 per cent, still the most enviable in the building sector. Interest charges amounted to £718,000 for the year. Some 30 sites are under construction at the moment and with an average of £1.2m tied up in each, borrowings are expected to rise to a similar level again by the end of the current year—though against a much expanded capital base. A further strong pre-tax profits advance probably to at least £7m is expected. The shares fell 15p to 365p yesterday which puts the shares on a historic PE of nearly 22. If McCarthy is going to use up £12m this year, it raises the questions of how soon and for how much they might return to the market.

Tex Abrasives

PRE-TAX PROFITS of Tex Abrasives, Colchester-based coated abrasive products manufacturer, expanded from £49,316 to £163,435 for the six months ended September 30 1983 on turnover just ahead at £2.7m, compared with £2.46m.

The interim dividend is unchanged at 0.75p net per 10p share—last year's final payment was 2.5p and the taxable surplus was £138,000.

ICI severs Vantona link by £10.5m shares sale

BY ANTHONY MORETON, TEXTILES CORRESPONDENT

Imperial Chemical Industries has severed its last financial holding in Vantona-Viyella, one of the big four textiles and clothing companies, by placing its 19.9 per cent holding in the market at 148p.

The deal was undertaken et ICI's initiative following talks which opened about six weeks ago. It was completed rapidly for tax reasons in the present financial year, which closes at the end of December. It brings the chemical giant about £10.5m.

The placing can also be seen as a continuation of ICI's policy of divesting of minority holdings which are not central to its main activities. In May, for instance, it sold a holding in an American concern, Fiber Industries, for $190m.

Vantona's share price went to 169p on strong support following the news, e high for the year.

Mr David Alliance, chief executive of Vantona-Viyella, said last night he was "delighted" with the deal. It is known that Vantona has had a long-term aim of running down the holding of its largest shareholder, but did not expect to be able to do it nearly so soon.

ICI's holding arises from its actions in the late '60s when it forced e merger between Carrington Dewhurst, one of its largest customers, and Viyella to create Carrington-Viyella. As a result, it acquired a 40 per cent stake in the merged company.

That company got into difficulties three years ago and was rescued by e merger with Mr Alliance's Vantona in October 1982.

Vantona-Viyella produced preliminary figures yesterday for the year to November 27 which showed a turnover of not less than £300m and a profit before tax of not less than £11m.

Strict comparisons with previous years are impossible because the present figures contain a full year from Vantone but only nine months from Carrington Viyella.

However, Carrington Viyella accumulated losses of £85m in the past three years of its separate existence and Mr Alliance hinted last night that these were now e thing of the past.

The better results have already led to a large amortisation of debt. Vantona-Viyella's gearing has come down to 30 per cent compared with 55 per cent at the time of the merger in February.

This would indicete thet debt has been reduced from just over £50m to under £25m, which should produce enormous savings in interest charges in the present year.

The company has benefited from rationalisation of resources and the pick-up in the UK retail clothing sales. Although there is still e need to pare out some indirect workers and office jobs it has put on 400 production workers since the start of the year.

Mr Alliance said: "Production is quite a bit higher and we have enormous confidence in the future."

Transcontinental suspended

BY DAVID DODWELL

TRADING in the shares of Transcontinental Services Group, a 30 per cent-owned associate of Mr Jacob Rothschild's RIT & Northern, was suspended yesterday.

This follows e Stock Exchange ruling to the effect that the company is essentially a cash shell, and follows its agreement early this week to sell its trading services division to Inchcape for £36.3m.

Dealing in the company's shares will not resume until Transcontinental's cash balances — amounting to over £56m — have been used at least in part for acquisitions which replace the operations of its trading services division.

The company has been committed to expansion in the U.S., probably into financial services, for some time. The Stock Exchange ruling will add urgency to its search for new businesses. It is understood thet Mr Francois Mayer, Transcontinental's chairman, is currently negotiating with two U.S. companies, but completion of any deal is likely to be months, rather than weeks, away.

In the meanwhile, Mr Mayer has flown to Paris, where e board meeting is to be held today to discuss the position of privete shareholders trapped by a suspension that could last up to e year.

The dilemma has been triggered by the unexpected approach by Inchcape for Transcontinental's trading services division — which comprises the company's four main trading operations. These were Caleb Brett, an international cargo inspection and testing operation, Graham Miller and Matthews-Daniel, which act as loss adjusters worldwide, and Gellatly Hankey, a shipping agency.

Transcontinental had a small financial services division, but the Stock Exchange felt this was not substantial enough to exempt the company from suspension.

Sir Denis says accept BAT offer

SIR DENIS MOUNTAIN, chairman of Eagle Star Holdings, the British insurance group, yesterday urged his shareholders to accept a £934m offer from BAT Industries, the tobacco group.

In his letter to shareholders, Sir Denis says that following the increased offer of 665p per share from Allianz Versicherung, West Germany's largest insurer, on Wednesday morning, "within a very short space of time, BAT had once again resumed the initiative with an increase in its offer to 675p per share."

Sir Denis emphasised that in his letter of December 2 he informed shareholders that the Eagle Star board "was in no doubt that BAT's previous offer was better in every respect than the rival offer from Allianz, and should be recommended to shareholders. Events since then heve only served to reinforce this view and accordingly your board has no hesitation in wholeheartedly recommending BAT's new offer."

BAT Industries yesterday sent out its revised offer document and said that the alternative consideration has been increased to the equivalent of 225p in cash, 225p in loan stock and 225p in capital notes.

The revised offer has been extended until 3 pm on December 29.

BAT said that it has acquired 1m ordinary shares in Eagle Star (0.72 per cent of the issued share capital) on November 28. At 3 pm on December 14 acceptances to its offer had been received in respect of 1.12m ordinary shares, representing 0.81 per cent of the Eagle Star equity.

Hogg Robinson sells U.S. offshoot

Hogg Robinson Group, the insurance broker, through its U.S. associate company RHR, has reached agreement with an unnamed U.S. insurance company for the sale of Bankers & Shippers Insurance Co of New York in e deal worth $13.1m (£9.21m).

The proceeds of the sale, Hogg Robinson said yesterday, amount to approximetely the value at which the investment stands in the books of RHR.

The last statutory accounts of Bankers & Shippers for the year to December 31 1982 showed e net loss of $0.2m. The net proceeds of the sale will be applied towards a reduction of the borrowings of RHR.

Bankers & Shippers is e property and casualty insurance company specialising in automobile liability and physical damage insurances.

Completion of the deal should take place in the early part of 1984. Hogg Robinson acquired Bankers & Shippers in 1981, through a joint venture arrangement with Republic Steel, from Penncorp Financial, one of the largest life insurance companies in the U.S.

It bought the company along with Penn General Agencies, a broker, which wes also owned by Penncorp. The total purchase price of both acquisitions was $42.5m.

Reed Stenhouse claims 'strong support' for bid

Reed Stenhouse Companies, Canadian-based insurance broking group, yesterday urged shareholders of Stenhouse Holdings to accept its share and cash offer worth £52.8m.

In its circular to shareholders Reed Stenhouse, whose offer is being resisted by four members of the Stenhouse Holdings board, argues that "it has the strong support of the business's management, staff and clients worldwide, which is vital for the prosperity of the business. Reed Stenhouse feels strongly that it is giving you an opportunity to unlock an investment in a holding company at e considerable capital gain and to obtain a direct investment in a company successfully doing business on a world-wide basis."

Stenhouse Holdings owns 48.9 per cent of Reed Stenhouse and while the board has favoured a merger in principle it has disagreed with the terms.

BIDS AND DEALS IN BRIEF

Computer engineering services group Technology For Business has announced its first acquisition since joining the Unlisted Securities Market in July 1983. Consideration for the purchase of Five Technology is the issue of up to 40,500 new Technology For Business shares over the next three years, subject to profit performance. Thereafter, there are share options on 112,500 further shares which can be exercised subject to agreed profit targets being achieved.

★ ★ ★

Robex, of Welwyn Garden City, has purchased Manchester-based Planned Maintenance from England Hughes and Bell for a six-figure sum.

★ ★ ★

As a further step in rationalisation of its property portfolio, Suter has disposed of surplus properties at Manchester and Bristol which were vacated in 1981.

The total amount realised from the sale of both sites was £284,000.

★ ★ ★

Paltex Editing and Production Systems has completed negotiations to acquire all the assets and designs of the video operation of Datatron Inc.

Datatron, based in California, manufactures computer based video tape editing equipment, including the ST-5 system used by most UK broadcast and leading facilities companies.

The acquisition will become effective on December 30, following final approval of the Datatron board.

★ ★ ★

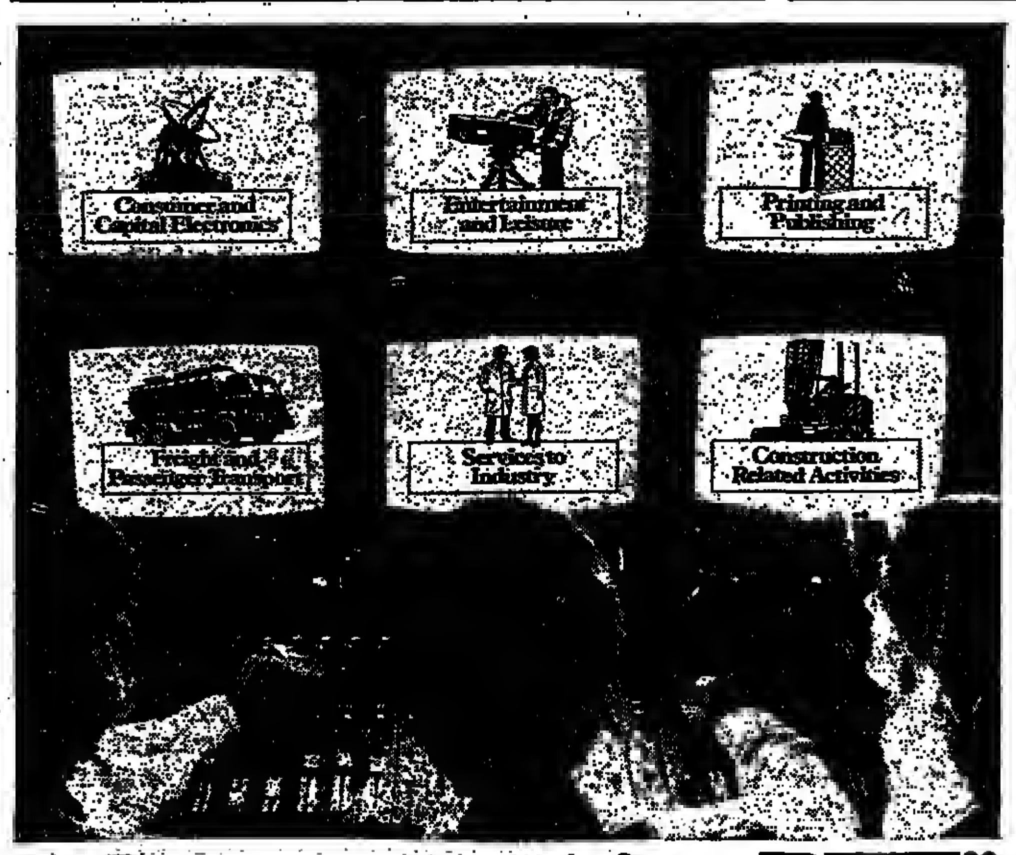
On December 14 S. G. Warburg and Co, as an associate of RIT and Northern, sold on behalf of discretionary investment clients 50,000 ordinary 25p shares of Charterhouse Group, at 114p each.

★ ★ ★

The scheme of arrangement proposed by Tongaat Huletts Group between Toncoro and the holders of its fully paid ordinary shares, and the resolutions necessary for its implementation, have been approved and passed.

★ ★ ★

Circaprint has acquired further considerable manufacturing capacity for printed circuit boards, by the acquisition of the new factory premises and plant of Cirtronics, of Exmouth, Devon.



THE PROPERTY QUIZ BY MICHAEL CASSELL

The 'hard-sell' for hard times

THE TENANT ruled in 1983, the year in which empty space finally overpowered the empty rhetoric and the property market was forced to accept the new reality.

Big investors played it cool, many smaller ones got out. Landlords conceded they had lost the upper hand and began to think more about property management and marketing.

The industry became preoccupied with attracting the occupier. The glossy brochures got glossier, there were trips on the Orient Express, lunches at Maximes and — more importantly — sales packages which included shorter leases and longer rent-free periods.

If 1983 brought a few developers to their knees it also helped spawn a new generation of property men, some of whom displayed an imagination and flair which augurs well for the future.

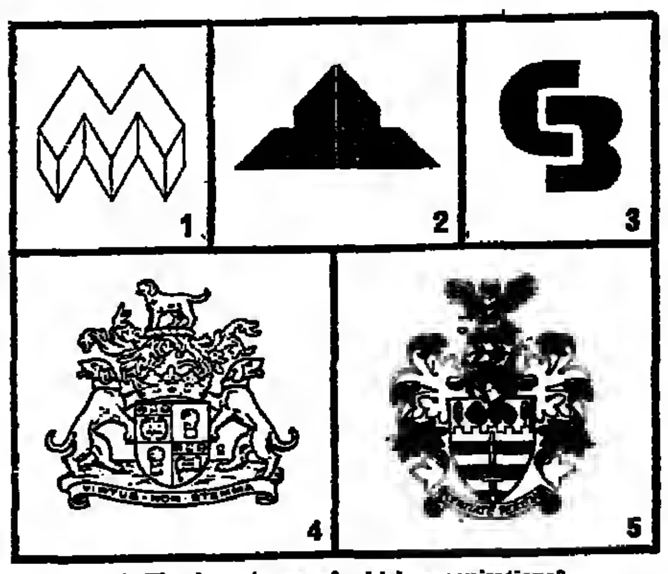
Neither does 1983 end on a particularly pessimistic note. There are clear indications that the worst is now over, though there remain as many views about the nature and strength of the revival as there are empty office blocks.

Before 1984 provides the answers, a few questions on events of the past 12 months. Last year's joint winners were Richard Ellis, Scrimgeour Kemp-Gee and Quilter Goodison and this years's winning entry will receive a jeroboam of champagne.

Answers please to "The Property Market," Financial Times, Bracken House, Cannon Street, EC4P 4BY. Last entry date January 4.

(a) In tho big league. Who is he?

(b) The People's Planner. Who is he?



(c) Tho logos/arms of which organisations?

(d) Conservative conservationist. Who is he?

(e) Reversing and rescuing. Who is he?

1—Number One, London Bridge *forms* the keystone to the London Bridge City development. Where is "Number One, London?"

★

2—Who wants to go shopping in Missisauga?

★

3—Who is set to deliver at Postman's Park?

★

4—Irving Feit, Lord Marshall *of* Leods and John Silkin hsvo joined the team. To do what?

★

5—How was Druce and Company taken to the eleanors?

★

6—The board of which property company held a meeting behind bars?

7—Who is putting the life hack in Matthow Street L2

★

8—Who owns tho Empress (not the Empire) State Building in Lillie Road, Fulham?

★

9—What is planned for Pickle Herring Street?

★

10—Who said tho British are a nation of "design morons?"

★

11—Which enterprise zone is *partly* located on an old barracks?

★

12—Who was forcod to leavo his South Audley Street apartment — and his job?

★

13—David Bevan, John Butterfill and Sir Paul Hawkins are all practitioners in property. What else do they havo in common?

★

14—What is Edward Leighton's intorest in 999 West Hastiogs Street, Vancouvor?

★

15—Who won over 0.01 per cent but was ignored by the family and the Coal Board (44½ per cent?)

★

16—Designed by Albert Moore, it has a cast iron staircase, a view of the Templo and an uncertain futuro. What is it.

★

17—Who lives in the Manchester Square house of Lord Milner?

★

18—What links Scarborough to a castle in Keot?

19—Where are Trust Securities and Grosvenor Developments working *alongside* each other?

★

20—Who said he was "ashamed and humiliated" by his latest failure?

★

21—Sir William Chambers designed it so that George III could observe the transit of Venus. What is it and who bought it?

★

22—Who set up shop on Newport Beach, Orange County, California?

★

23—Which agency got a dressing down from Geoffrey Wardale and Anthony Herren?

24—Who switched from an "offer" price to a "bid" price to stop the rot?

★

25—Who is stepping out of the picture in High Holborn?

26—Who left Brook House for Alexandra House?

★

27—*Who is building*, among other things, an hotel in Paradise?

★

28—Who turned some old newspaper offices into a plum sito?

★

29—What is the connection between Gateway House in Basingstoke and Bracken House in Cannon Street EC4?

★

30—Where did Jones Lang Wootton offer Richard Ellis a *square deal?*

31—Which property market failed to record a single deal between the end of May and August?

★

32—MEPC handed it over to Capital and Counties. What was it?

★

33—Who was told he could go back into business — in September 1985?

★

34—Who is redeveloping a former candy store on Connecticut Avenue, *Washington* DC?

★

35—Faircliffe Finance, Bellwood Properties and Carlos Estates — all subsidiaries of which property group?

APPOINTMENTS

Senior posts at Legal and General

Mr T. J. Palmer, general manager, Legal and General International, will, in addition to his already announced appointment as deputy group chief executive of LEGAL AND GENERAL GROUP, become chief general manager of Legal and General Assurance Society from January 1. Mr E. Wynn Owen, chief general manager of Legal and General Assurance Society, will be appointed chief general manager of Legal and General International from January 1. Mr J. K. Elbourne, managing director, Legal and General Assurance Holdings (Australia), will be appointed general manager, Legal and General International from July 1.

★

In addition to his previous responsibilities as group controller of THE BOC GROUP, Mr Christopher May has now been appointed group treasurer.

★

Insurance Services by Stewart Wrightson, and now represents the combined reinsurance broking operations of Golding Collins and Stewart Wrightson, with the exception of aviation reinsurance broking which is continued through Nicholson Stewart Wrightson.

★

Mr R. D. F. Mansfield is to be appointed a managing director of SINGER FRIEDLANDER and Mr W. H. Wright a local director from January 1.

★

Following completion of the merger of Argyll Foods and Amalgamated Distilled Products, the following appointments have been made. Mr C. D. Smith is appointed group financial controller and company secretary of ARGYLL GROUP. Mr P. A. Frendo is appointed group financial controller of Argyll Foods and finance director of Argyll Stores in place of Mr Smith. Mr R. S. Fisher will retain his existing responsibilities as finance director of Amalgamated Distilled Products. Mr J. P. Kinch is appointed assistant group company secretary of Argyll Group and company secretary of Argyll Foods and of Amalgamated Distilled Products.

★

Mr Chris Tracey has been appointed managing director of SAVE & PROSPER INVESTMENT MANAGEMENT from January 1.

★

THE ALLIANCE TRUST and the Second Alliance Trust have appointed Mr W. Grant Lindsay as an assistant manager.

★

Lloyds Bank treasurer

Mr David Turner has been appointed treasurer of LLOYDS BANK, responsible for the bank's money market division. He succeeds Mr Albert Agar, who has retired. Mr Turner joined the bank in 1955, and after serving at a number of London branches, helped in the formation of LABCO, Lloyds' money market company, in 1971. Among other positions he has held are deputy chief inspector and deputy head of banking services.

★

Mr John H. Smith has joined the committee of management of THE INDUSTRIAL AND COMMERCIAL PROPERTY UNIT TRUST, part of The Property Unit Trusts Group. Until recently he was deputy chairman and chief executive, of British Gas Corp. He is currently chairman of the trustees of the British Gas Staff and Manual Workers Pension Funds.

★

Mr A. H. C. Colls has been appointed chairman of GOLDING STEWART WRIGHTSON, with Mr H. W. G. Stamper as chief executive and Mr C. R. Engeham and Mr L. N. Marden as joint deputy chairmen. The directors of Stewart Wrightson (Reinsurance Brokers) have joined the board of Golding Stewart Wrightson. GSW was formed following the acquisition of Arbuthnot

★

Mr G. E. Currie has retired from the partnership of E B SAVORY MILLN AND CO., but remains associated with the firm as a consultant.

★

Sir Derrick Holden-Brown, chairman of Allied Lyons, has been nominated to succeed Sir James Cleminson as chairman of the FOOD AND DRINK INDUSTRIES COUNCIL on April 1.

★

Mr Ronald G. Florence and Mr Michael J. Clark have been appointed investment managers of FRIENDS' PROVIDENT LIFE OFFICE.

★

Moracrest Investments has subscribed for 35 per cent of the equity of QUORUM COMPUTERS, former NEB-owned microcomputer company which was recently the subject of a management buyout. Moracrest is jointly owned by the Midland Bank, British Gas Central Pension Funds, and the Prudential Assurance Company. Mr Alan J. Marsh of Midland Bank Industrial Finance has been appointed to the board of Quorum.

★

Mr John R. Knights has been appointed to the board of MITCHELL COTTS. He joins Cotts from Combustion Engineering Inc. U.S. At Mitchell Cotts he will be responsible for development of international project engineering.

★

ASSOCIATED BRITISH PORTS HOLDINGS has appointed Mr Maxwell Creasey, as a non-executive director from January 1. He is deputy managing director of MEPC, chairman of Threadneedle Property Co. and Curric Investments, as well as of companies in the MEPC Group. In addition, he is a director of Grainger Trust.

★

Mr Leslie Sarl will retire as secretary of ROTHMANS INTERNATIONAL on December 31. Mr Jeremy Campbell will succeed him from January 1. Mr Campbell joined Rothmans in 1981 as assistant secretary and legal adviser.

★

Mr Daniel Auerbach and Mr Simon Anthony Fossell have become directors of PRIEST MARIANS HOLDINGS.

★

Mr Barry G. Holme has joined MCTAY ENGINEERING, Bromborough, as managing director. He was previously with GEC Gas Turbines. The company, part of the Mowlem Group, was until recently known as McTay Mechanical Engineering.

★

The INSURANCE BROKERS REGISTRATION COUNCIL has elected Mr Henry V. White-Smith as chairman. He is a director of Willis Faber and Dumas.

★

Mr David Hinton, managing director of Devizes-based F. Rendell and Sons, has been appointed to the board of Y. J. LOVELL (HOLDINGS) from January 1.

★

Mr Mark Littman has joined the board of THE BURTON GROUP as a non-executive director. He is also a non-executive director of the Rio Tinto-Zinc Corp and of Granada Group. He was formerly deputy chairman of the British Steel Corp and a vice-chairman of the Commercial Union Assurance Co.

★

Mr Ian Macdonald and Mr Don McCrickard have been appointed to the board of TSB TRUSTCARD. Mr Macdonald is chief general manager of TSB Scotland and Mr McCrickard is managing director of United Dominions Trust.

COMPANY NOTICES

De Beers Consolidated Mines Limited
Incorporated in the Republic of South Africa
NOTICE TO HOLDERS OF PREFERENCE SHARE WARRANTS TO BEARER
PAYMENT OF COUPON No. 149

[illegible]

	South African Currency Cents Per Share
Amount of dividend declared	100.000
Less: South African Non-resident shareholders' tax at 11.001%	11.001
	88.999
Less: U.K. income tax at 18.999% on the gross amount of the dividend at 100 cents	18.999
	70.000

For and on behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
London Secretaries
J. C. Greensmith

London Office:
40 Holborn Viaduct,
London EC1P 1AJ
13th December, 1983

NOTE:
[illegible]

De Beers
De Beers Consolidated Mines Limited

AFRICAN AND EUROPEAN INVESTMENT COMPANY LIMITED
(Incorporated in the Republic of South Africa)
NOTICE TO HOLDERS OF PREFERENCE STOCK WARRANTS TO BEARER
PAYMENT OF COUPON No. 72

With reference to the notice of declaration of dividend advertised in the Press on 2nd December, 1983 the following information is published for the guidance of holders of stock warrants to bearer.
The dividend of 3 cents per unit of stock was declared in South African currency. South African non-resident shareholders' tax at 0.45 cents per unit of stock will be deducted from the dividend payable in respect of all stock warrant coupons leaving a net dividend of 2.55 cents per unit of stock.
The dividend on bearer stock will be paid on or after 15th February 1984

[illegible]

	South African Currency Cents Per Unit of Stock
Amount of dividend declared	3.00
Less: South African Non-Resident Shareholders' tax at 15%	0.45
	2.55
Less: U.K. income tax at 15% of the gross amount of the dividend of 3 cents	0.45
	2.10

For and on behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
London Secretaries
J. C. Greensmith

London Office:
30 Holborn Viaduct,
London EC1P 1AJ
16th December, 1983

NOTE:
The Company has been requested by the Commissioners of Inland Revenue to state:
Under the double tax agreement between the United Kingdom and the Republic of South Africa, the South African non-resident shareholders' tax applicable to the dividend is allowable as a credit against the United Kingdom tax payable in respect of the dividend. The deduction of tax at the reduced rate of 15% instead of at the basic rate of 30% represents an allowance of credit at the rate of 15%.

aaic

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN YAMAICHI SECURITIES CO., LTD.

[illegible]

December 16, 1983.

SVERIGES INVESTERINGSBANK AB (Swedish Investment Bank Limited)
U.S.$15,000,000 7¾% Bonds 1981/1980

[illegible]

EUROPEAN COAL AND STEEL COMMUNITY
U.S.$30,000,000 7% 15 Year Bonds of 1973 due 15th January, 1988

The Commission of the European Communities announces that the annual instalment of Bonds amounting to U.S.$3,500,000 has been purchased for the redemption due on 15th January, 1984.

16th December, 1983.

LEGAL NOTICE

IN THE MATTER OF
BANQUE COMMERCIALE (CAYMAN) LIMITED
(In liquidation)
AND IN THE MATTER OF
THE COMPANIES LAW CAP. 22

NOTICE IS HEREBY GIVEN that by an Order of the Grand Court of the Cayman Islands dated 21st November, 1983 the voluntary winding-up of the above-named Company was made subject to the supervision of that Honourable Court and that the creditors of the above-named Company are required on or before 31st January, 1984 to send their names and addresses and the particulars of their debts or claims and the names and addresses of their solicitors (if any) to the undersigned Richard Graham-Taylor and G. James Cleaver of Messrs. Arthur Young and Company, P.O. Box 480, Grand Cayman, British West Indies, the joint liquidators of the above-named Company and if so required by notice in writing from the said joint liquidators are by their solicitors or personally to come in and prove the said debts and claims at such time and place as shall be specified in such notice or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 28th day of November, 1983.

RICHARD GRAHAM-TAYLOR,
R. JAMES CLEAVER,
Joint Liquidators.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

AE bangs the technology drum

A major UK motor components manufacturer has set its sights on beating the recession with ever higher levels of product quality. Arthur Smith reports

John Collyear: "A coherent integrated strategy"

".WE HAVE engineered our way through recession," says John Collyear, Chairman of AE, one of the few motor components companies making optimistic noises about future prospects. And he wields a big hammer to press the point.

Normally one of the quiet men of the industry, the shirt-sleeved chairman swings the hammer above his head and crashes it down on one of the company's prime products, a gleaming piston.

As the noise rings round the lofty room at Cawston House, the group's elegant countryside headquarters near Rugby, he smiles: "That is the sort of force our components must withstand within an engine." He cites, with the pride of the professional engineer, the precise details of the force and stresses.

While the chairman's unconventional performance with a hammer might attract immediate attention, he is at pains to stress the long term nature of a *strategy initiated* before the onset of recession back in 1979.

AE, an international group of 50 companies, set out to identify its niche in the changing world market for engine components. It has rationalised the product range. High technology is seen as the strength. Products which did not fall within the central matrix have been jettisoned.

Yesterday, it announced a pre-tax profit of £400,000 for 1982-83, on a slightly lower turnover of £396.6m, after having incurred a first half loss.

Collyear, a short man, expensively dressed, has the assertiveness of the international executive: "We aim to establish a world lead in our products—both in terms of cost and technology," he says.

But a turbulent three-year period that has seen the closure of eight factories and the workforce almost halved from 29,000 to 16,000 has also been one of heavy investment. Collyear believes it is no longer enough just to offer product technology. There is a premium for the company that can deliver the component to the market cost effectively.

Yes, AE has spent £35m on product development, but linked to that investment has been the £60m committed to new plant and equipment. AE no longer merely takes off-the-peg machine tools to manufacture its products. In-house research and development teams buy in the essential elements but devise their own production systems.

Collyear enthuses: "For some of our product innovations customers will have to come to us because they can only be made by us." *He says engine* builders throughout Europe and the U.S. are currently examining AE developments that reduce the size, weight and friction of pistons. Such advances make possible *a smaller* engine, lower bonnet line and a car with totally different aerodynamics.

He cites the example of the "Aeconoguide profile" which can be applied to any make of piston to reduce friction. AE's competition is international and varies between products. For pistons the main European rivals are Mahle and Karl Schmidt, both of West Germany. In the U.S. the vehicle assemblers do their own engine development.

Collyear boasts that in an international marketplace where there can be a time lag of three to five years between establishing contact with a car assembler designing a new engine and the final contract, AE has "already achieved many successes." He insists there are "many more in the pipeline to be announced over the next year or two."

He attributes AE's competitiveness to the "three-leg" style of management, introduced before the onset of recession, but which has now become "a way of life."

"Our basic approach has been to link the markets, the products and the processes into a coherent integrated strategy. We have followed this approach steadfastly and we believe that we are, or will be shortly, at or *near the* top *in* the *international* league in our field in all the aspects of competition."

Collyear argues that there is a two way flow and interdependence between each of the three *legs*—the marketplace, the product, and the process by which it is manufactured.

Thus, AE looks at an automotive market demanding engines that offer fuel economies, weight reduction, longer life and more quietness. The company must provide smaller components, with total reliability and of higher specification in relation to force, friction temperature and wear.

It is here Collyear injects the vital element, insisting that engineered into the products must be methods of manufacture that yield economies of volume, quality, easy shop-floor control, flexibility and low overheads.

AE has taken seriously the revolution in production that can be brought about by the concept of automated manufacturing techniques. New systems of materials handling, using robots developed by AE, are being introduced to cut labour costs, reduce work in *progress* and *achieve* flexibility that will make posible flow production on previously labour intensive operations.

Such investment is now coming on stream at factories throughout the group, Collyear says.

Other projects are spotlighted by Dr Alec Parker, managing *director of AE Developments*, in a rapid tour of central research and development facilities located in a complex of modern buildings to the rear of Cawston House. Some 140 engineers split their energies roughly equally between product and process development.

Parker says AE is aware of the market potential in selling its materials handling systems to outsiders—though clearly not the machine tools that give the group the technical advantage over competitors. "But for the *moment we are going* flat out just to meet the demands from our own factories."

Collyear argues "one of the best things we ever did," as part of the retrenchment programme, was to close the AE headquarters in Leamington and consolidate activities at Cawston House. "Now we sit on top of research and development. I often lose my directors because they are in laboratories finding out what is going on."

He maintains that he has created a "technical hot-house"; salesmen, engineers and accountants are all working together to provide the three legs of the management strategy.

Graduate recruits have a key role in the concept. Collyear aims to attract to Cawston House around a dozen people straight from university each year. "But we really want graduates who will spend only perhaps four years here. These are not career jobs here; we want people who can move out to the operating companies. At *head office we are building up* the technology base and ensuring the quality of future management."

Collyear has had to cultivate the new management philosophy in a hostile climate. "Back in 1979-80 the start of the recession was apparent. At that time it was not clear how long it would last and how severe it would be."

AE took "a somewhat pessimistic view" and decided to "batten down the hatches," Collyear says. But throughout the *years of retrenchment* resources have been committed to the three legs—"product development, investment in modern special purchase machinery, and intensive technical marketing aimed at penetrating selected overseas customers."

Such a strategy eased the shutting of some eight factories and the shedding of 13,000 jobs. "On a site where you are cutting labour, people must see you are making a real effort to be competitive. You are investing. You are attacking overseas markets. Action is being taken to bring about a resurgence. The worst thing possible for morale would be to be seen to *be doing nothing*."

Collyear points to the need to look overseas for growth whether through direct exports or through the group's factories in France, Italy and West Germany. "We have taken a pessimistic view of the UK demand for engines—and hope we are wrong."

He *suggests UK output* of engines could fall to around two thirds of the present level of around 1.75m. "There may be signs of a bit of recovery in recent months. But we have gone for a fail-safe policy." Attention has been focused on developing business with companies such as Caterpillar, VW, Renault, Ford, General Motors, Daimler Benz and Cummins.

"It has been a hard slog but we now see improved prospects: not in terms of general economic recovery—that would be a bonus—but in terms of our competitiveness in technology."

But even with the expected growth Collyear does not see any increase in the numbers employed. "Any manager that hits a capacity constraint knows exactly what to do. Look at new machinery."

He argues that productivity within the group is still not high even though there have been dramatic changes over the past three years in work practices and flexibility in tha use of labour. "Our plans project a further substantial productivity improvement."

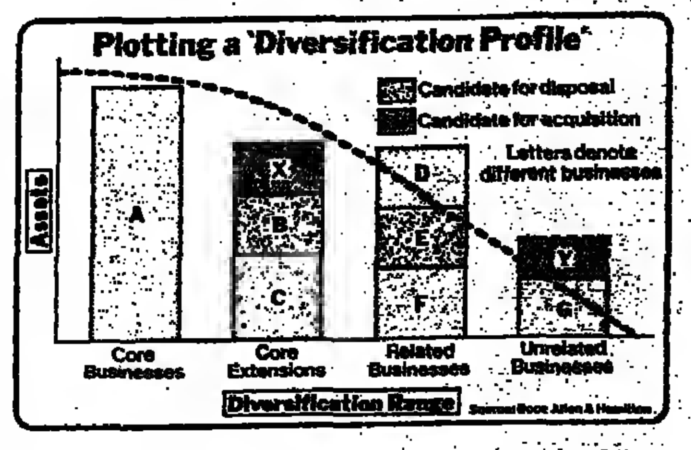
He also points to rising profitability. "The snowball is rolling. Even in a fairly low growth international economy we think the profits will start to show over the next two or three years from all this effort."

Such public confidence clearly signals warning shots that the AE board could mount a vigorous defence should the Monopolies Commission give the all-clear next spring and GKN return with a new bid.

AE is likely *to* argue that while the two companies together might be stronger in Europe, the UK base could be *threatened. Between* them, GKN and AE would account for more than 75 per cent of a whole range of engine components—95 per cent in the case of engine bearings. But the policy of vehicle assemblers in seeking two alternative suppliers could quickly undermine that dominance and allow in *greater foreign competition.*

There is also unease within AE that rationalisation would be difficult because everything from production techniques to management styles might not be compatible. AE believes it has identified its product and market areas and has the technology and resources to stand on its own.

Collyear, in a recent letter to shareholders, declared: "There has never been any suggestion that AE's viability is in any way dependent on the merger with GKN, and your board looks at the prospects for next year with increasing confidence and will continue to pursue the interests of AE with vigour."



Diversity traps

IT COULD be said that Guinness, the Irish brewing group, bit off more than it could swallow during its frentic acquisition drive in the 1960s and 1970s.

If, on the other hand, it had drawn a "diversification profile" and used "link analysis" it might have avoided the pain and embarrassment of its current, and equally frantic, divestment drive.

Guinness is just one of a mass of companies, on both sides of the Atlantic, which should have been far more systematic in their diversification strategies, says Martin Waldenstrom, a Swede who heads the European strategy and acquisition activities of Booz Allen end Hamilton, the U.S. management consultancy.

"Traditional strategic tools are quite insufficient for developing a diversification strategy," says Waldenstrom. For one thing, he complains, traditional business portfolio analysis entirely fails to deal with obvious questions about the interrelationships between a company's different businesses, be they managerial, financial, technological, or to do with marketing and distribution.

They also neglect the impact a particular acquisition may have on what Waldenstrom calls the company's overall "diversification range"—that is, on the proportion of total assets which it wants to expose to various types and levels of risk.

In the case of Guinness, the company chose to invest in a diverse set of small businesses—supermarket trolleys, plastics, confectionery, leisure services, films—which were not only pretty unrelated to each other, but were also unrelated to its core business. It is now in the process of selling many of these. Waldenstrom predicts that Guinness will soon return to the take-over trail, but this *time for a major* purchase in a business closer to its core.

It may seem banal to advocate that companies should not diversify until they have drawn a corporate "diversification profile" for themselves (see diagram), *nor before they have* analysed the various linkages between their actual businesses and the proposed new ones. But when Waldenstrom presented the twin concepts to a recent London meeting of the Society for Strategic and Long Range Planning, they attracted considerable interest.

This is partly *because* the "diversification profile" underlines the obvious but often-ignored point that "diversity" is a very grey and elastic concept; much of the established literature on diversification talks in terms of clear classifications.

Planners to the core, Waldenstrom's listeners were also intrigued by the various methods he proposed for doing "linkage analysis."

In the diagram, the letters denote a company's various businesses, plus potential take-over candidates "X" and "Y." On the traditional four-box business portfolio matrix, the two showed up close together in *the same box, as* "stars," and it was difficult to distinguish between them. But Booz Allen's chart distinguishes them clearly: not only is "Y" less related than "X" to the company's existing businesses, but its acquisition would distort the company's chosen diversification profile (the dotted line). Equally, the chart helps the company decide whether "B" or "E," both of which showed up as "question marks" in the portfolio matrix, is a more suitable candidate for disposal. The four categories of diversity are not hard-and-fast—there could equally well be five, six or seven.

Christopher Lorenz

FINANCIAL TIMES

Friday December 16 1983

WALL STREET

Optimists among the sellers

BOND MARKETS looked steadier on Wall Street yesterday after the renewed setback suffered towards the close of Wednesday's trading session. But concern over growing inflationary pressures in the U.S. economy continued and were fuelled by the bearish forecast from Dr Henry Kaufman, the interest rate specialist at Salomon Brothers, *writes Terry Byland in New York.*

Gains of around a quarter of a point in bond prices again reflected short-covering operations by professional traders meeting selling bargains transacted earlier this week. The Federal Reserve returned to the aid of the short end of the market after an absence of several days, with $1.5bn in customer repurchase arrangements.

The stock market staged a partial rally at midsession but turned sharply downwards again in the final hour of trading. At the close the Dow Jones industrial average was 9.86 down at 1236.79 on moderate turnover of 88.9m shares.

There were still signs of tax loss selling in the stock market, particularly in those sectors which have done well recently. Another discouraging factor was an increase in its broker loan rate by Bankers Trust, the first major New York bank to raise charges for its short-term funds to the securities industry.

Among financials, stock in Crocker National Corporation, which is majority owned by Midland Bank of the UK, was suspended at the company's request at $28¾, ahead of the announcement that it will make a special charge to earnings of $107m in the fourth quarter.

Crocker National resumed trading at 27½ and quickly plunged to 24½, a net 5 points down.

Weakness in IBM, which fell $1⅜ to $119¾ was attributed to tax loss selling, but was nonetheless a poor lead for the rest of the industrial stock market.

Chrysler fell $⅛ go $26⅞ and General Motors $⅛ to $73⅛ as the stock market took account of the latest monthly sales totals – of which Chrysler's showed the smallest gain among the big three Detroit carmakers. But Chrysler's preferred stock added $⅛ to $22¾.

Once again there were widespread falls among the rail stocks after the restraint put on the planned merger of Santa Fe and Southern Pacific by the Interstate Commerce Commission had unsettled the prospects for the industry restructuring.

With airline issues also running into some selling, the Dow Jones transportation average plunged sharply.

Also weak again were the utility issues, upset not only by the threat of higher interest rate charges in the coming 12 months but also by a strongly worded criticism from New York State authorities of Long Island Lighting (Lilco). The report claimed that Lilco was not yet ready to run the controversial nuclear reactor built near Manhattan.

Several other utility companies have involvement in nuclear power projects and are considered vulnerable to growing public opposition to such developments.

American Express continued to trade in heavy turnover as investors took in the substance of the board's warning on earnings. Amex stock regained a $¼ to $29⅝ again featuring high on the list of active stocks.

International Harvester gained $⅝ to $12⅞ after announcing shortly before a meeting of its bank creditors that operating losses have been reduced in the fourth quarter.

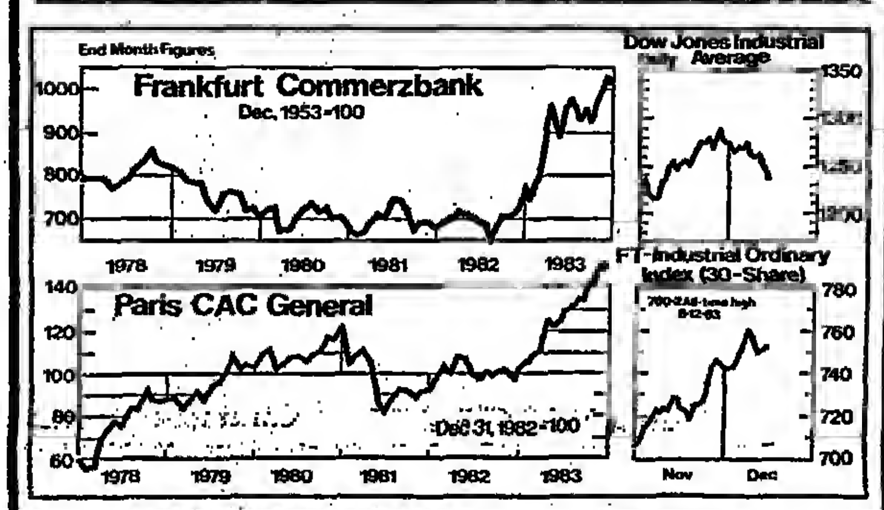
In the over-the-counter market Apple Computer added $1⅛ to $24½ after a strong recommendation by a brokerage bouse. Home computer makers are also benefiting from reports that the Christmas selling season, over which some doubts bad been felt, has taken off strongly.

The credit market traded quietly with the retail investor again staying well on the sidelines. Treasury bill rates, opened firmer, but eased later as the Federal funds rate slipped back from an opening of 9 11/16, with the help of the Federal Reserve's customer repurchases.

Later the three-month bill was discounted at 9.12 per cent, still little changed from Wednesday's final quotations. The six month bill at 9.32 per cent was only three basis points up.

The key long bond at 99 22/32 showed a gain of 1/32 with a yield of 12.03 per cent.

KEY MARKET MONITORS



STOCK MARKET INDICES

NEW YORK	Dec 15	Previous	Year ago
DJ Industrials	1236.79	1246.65	992.64
DJ Transport	585.76	594.26	431.58
DJ Utilities	131.55	132.42	117.06
S&P Composite	161.66	163.33	135.24
LONDON			
FT Ind Ord	752.80	751.10	580.50
FT-A All-share	463.65	463.21	378.96
FT-A 500	494.86	493.86	418.50
FT-A Ind	455.93	455.10	391.46
FT Gold mines	570.50	577.50	517.20
FT Govt secs	82.26	82.30	78.90
TOKYO			
Nikkei-Dow	9462.43	9401.17	7882.95
Tokyo SE	701.70	696.19	580.77
AUSTRALIA			
All Ord.	755.40	754.50	477.40
Metals & Mins.	551.60	550.90	402.30
AUSTRIA			
Credit Aktien	54.66	54.57	48.91
BELGIUM			
Belgian SE	133.52	133.58	99.70
CANADA			
Toronto Composite	2515.22	2530.3	1845.30
Montreal Industrials	440.88	442.96	313.49
Combined	424.18	426.49	310.19
DENMARK			
Copenhagen SE	199.02	198.46	94.29
FRANCE			
CAC Gen	149.50	151.80	100.60
Ind. Tendance	159.80	161.70	119.30
WEST GERMANY			
FAZ-Aktien	342.11	343.92	246.80
Commerzbank	1009.90	1018.30	743.90
HONG KONG			
Hang Seng	869.88	874.76	802.89
ITALY			
Banca Comm.	183.75	183.62	163.71
NETHERLANDS			
ANP-CBS Gen	146.60	147.20	97.40
ANP-CBS Ind	120.70	120.90	81.40
NORWAY			
Oslo SE	213.21	213.94	97.77
SINGAPORE			
Straits Times	981.91	985.44	750.49
SOUTH AFRICA			
Golds	841.10	842.80	910.90
Industrials	935.60	933.10	728.20
SPAIN			
Madrid SE	119.97	120.44	96.48
SWEDEN			
J & P	1470.51	1480.87	846.56
SWITZERLAND			
Swiss Bank Ind	372.00	372.50	279.30
WORLD	Dec 14	Prev	Yr ago
Capital Int'l	179.40	180.20	150.60

GOLD (per ounce)

	Dec 15	Prev
London	$389.125	$388.375
Frankfurt	$388.75	$389.00
Zürich	$389.00	$388.00
Paris (fixing)	$389.02	$389.93
Luxembourg (fixing)	$388.50	$390.50
New York (Dec)	$380.60	$388.50

* Latest pre-close figure; † Latest available figure

CURRENCIES

(London)	U.S. DOLLAR Dec 15	U.S. DOLLAR Previous	STERLING Dec 15	STERLING Previous
$	–	–	1.4225	1.417
DM	2.769	2.766	3.94	3.9225
Yen	234.9	234.95	334.5	333.25
FFr	8.4425	8.4375	12.005	11.9525
SwFr	2.211	2.2115	3.1475	3.1375
Guilder	3.108	3.1025	4.4225	4.40
Lira	1676.0	1671.5	2383.5	2368.0
BFr	56.41	56.26	80.25	79.7
C$	1.24975	1.25025	1.7765	1.7705

INTEREST RATES

Euro-currencies (offered rate)	Dec 15	Prev
£	9⅝	9⅝
SwFr	4 3/16	4⅜
DM	6 5/16	6 7/16
FFr	13⅝	13⅝
FT London Interbank fixing (offered rate)		
3-month U.S.$	10 3/16	10½
6-month U.S.$	10⅜	10 11/16
U.S. Fed Funds	10†	9¾
U.S. 3-month CDs	10.10	10.05
U.S. 3-month T-bills	9.18†	9.12

U.S BONDS

Treasury	Dec 15 Price	Dec 15 Yield	Prev Price	Prev Yield
10½ 1985	99 13/32	10.86	99 10/32	10.89
11½ 1990	98 7/32	11.87	98 1/32	11.92
11.75 1993	98 30/32	11.93	98 24/32	11.96
12 2013	99 22/32	12.03	99 21/32	12.04
Corporate	**Dec 16 Price**	**Dec 16 Yield**	**Prev Price**	**Prev Yield**
AT & T				
10⅛ June 1990	92⅞*	12.00*	92⅝	12.05
3⅞ July 1990	67.432*	11.00*	67½	10.95
8⅜ May 2000	75¼*	12.30*	76	12.15
Xerox				
10⅜ March 1993	91⅝*	12.20*	90⅞	12.30
Diamond Shamrock				
10⅛ May 1993	89½*	12.55*	89½	12.55
Federated Dept Stores				
10⅜ May 2013	86.417*	12.35*	85¾	12.45
Abbot Lab				
11.80 Feb 2013	95.647*	12.35*	94.90	12.45
Alcoa				
12¼ Dec 2012	95.065*	12.90*	94.724	12.95

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT)				
8% 32nds of 100%				
December	69–23	69–29	69–16	69–19
U.S. Treasury Bills (IMM)				
$1m points of 100%				
December	90.93	90.95	90.89	90.94
Certificates of Deposit (IMM)				
$1m points of 100%				
December	90.02	90.07	89.99	90.07
LONDON				
Three-month Eurodollar				
$1m points of 100%				
March	89.38	89.38	89.32	89.41
20-year Notional Gilt				
£50,000 32nds of 100%				
December	108–25	108–20	108–02	108–15

COMMODITIES

(London)	Dec. 15	Prev
Silver (spot fixing)	652.85p	660.45p
Copper (cash)	£984.50	£993.50
Coffee (Jan)	£2101.50	£2158.50
Oil (spot Arabian light)	$28.22	$28.30

LONDON

Firmer tone as sterling steadies

A FIRMER tone prevailed in London with loading equities edging a little higher and Government stocks less unsettled than on Wednesday, in sympathy with the more stable tone in sterling.

Early falls in the longer-dated government stocks ranged to ¼, but sterling's steadier showing induced a rally and closing losses were reduced to ⅛. Shorter maturities plotted an irregular course.

Leading blue-chip industrials passed a quietly firm session, once more shrugging aside sterling's precarious position.

The Financial Times Industrial Ordinary share index opened with an improvement of 0.5 at 10 am, which was extended to 1.7 by the close at 752.8.

Of the index constituents, BOC stood out with a fresb advance of 10p at 287p on U.S. buying, while TI revived with a gain of 6p to 164p on suggestions that the group might be contemplating the sale of its Raleigh interests.

Details, Page 35; Share Information Service, Pages 36–37

AUSTRALIA

LATE buying in resource stocks reversed mid-morning declines in Sydney and nudged the All Ordinaries index to another record high of 755.40, np 0.9 on the day.

BHP, which announced oil shows from three zones of its Wirrah 3 well, finished 5 cents lower at A$13.95, after touching A$13.80, while Bridge Oil gained 20 cents to A$3.20 on strong rumours of a takeover bid by Santos, which closed 4 cents weaker at A$7.56.

Textiles encountered some buying and retailers were unseasonally weaker. New buyers spurred Carlton and United Breweries to A$3.85, a gain of 3 cents.

HONG KONG

INSTITUTIONAL buying was overwhelmed by local investors in Hong Kong indulging in profit-taking, which has left the market, according to one trader, in stalemate. The Hang Seng index closed 4.88 down at 868.88.

Hutchison Whampoa beld steady at HK$14.50 as Jardine Matheson slipped 20 cents to HK$11.30.

Hongkong Bank was uncbanged at HK$6.95 and China Light was 10 cents lower at HK$11.80.

SINGAPORE

A BREAK in the Malaysian constitutional deadlock occurred too late to affect trading in Singapore, which slid on technical factors to leave the Straits Times index 3.53 off at 981.91. Dealers expect the market to respond to the good news during today's session.

SOUTH AFRICA

A MIXED to easier trend emerged among gold sbares in very slow trading in Johannesburg, ahead of today's public holiday.

Losses of up to R1 were seen among the heavyweigbt producers, with Harmony down by that amount to R23.50, while cheaper priced producers ended up to 25 cents cheaper.

CANADA

CONTINUED WEAKNESS in the gold, oil and metals sectors pushed stock prices lower in Toronto yesterday.

Montreal was also lower overall, with declines recorded in banks, industrials and utilities but papers managed a small gain.

TOKYO

Confidence returns as vote nears

INTERNATIONAL populars and blue-chip issues with good earning prospects rose sharply in Tokyo yesterday as investors began to regain confidence after opinion polls predicted a better showing for the ruling Liberal-Democratic Party (LDP) than previously expected in Sunday's election, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei-Dow average rose 61.26 to finish at 9,462.43. Trading was moderately active with 314.31m shares changing hands, against 263.43m in the previous session. Advances outnumbered declines 399 to 291, with 193 issues unchanged.

Discouraged by a further decline on Wall Street, share prices drifted throughout the morning. But the market suddenly turned bullisb in the afternoon as electricals and other blue chips began rising on a massive inflow of buy orders.

Traders at several securities houses said investors were apparently heartened by a series of newspaper polls predicting a better-than-expected election performance by the LDP.

The afternoon rally was paced by Matsushita Electric Industrial's Y40 rise to this year's new higb of Y1,890, following upward revisions of second-half equipment investment plans by semiconductor makers to meet booming demand.

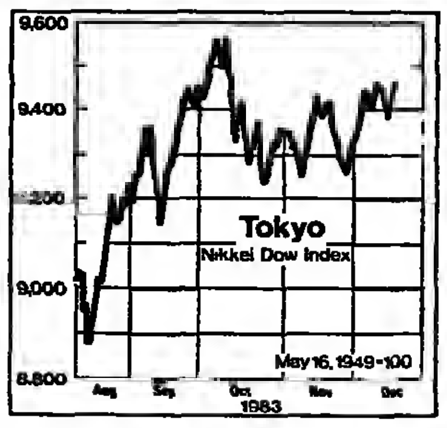
Fujitsu advanced Y30 to Y1,320, NEC Y40 to Y1,440, and Hitachi Y8 to Y807. Toshiba, the volume leader for the fourth straigbt session with 22.70m shares traded, added another Y4 to Y404, though on smaller foreign buying.

Motors and precision instruments were also strong. Toyota gained Y20 to Y1,460, Honda Y30 to Y1,110, Fuji Photo Film Y20 to Y2,000, Nippon Kogaku Y40 to Y1,050, Canon Y50 to Y1,550 and Ricob Y40 to Y1,170. Telepbone equipment makers rose sharply, with Iwatsu Electric up Y80 to Y2,040 and Nitsuko Y110 to Y3,860.

Investors, bowever, continued to avoid recently neglected speculative stocks. Godo Shusei plunged Y45 to Y490, while Aoki Construction shed Y20 to Y700 and Arabian Oil Y210 to Y3,880.

The bond market, buoyed by the Bank of Japan's purchases of Y100bn worth of Government bonds on Wednesday, remained firm, as the two biggest trust banks' purcbases totalling about Y40bn were followed by active buying on the part of securities companies.

The yield on the benchmark 7.5 per cent government bond due in January 1993 closed at 7.5 per cent, against the previous day's 7.515 per cent, after declining to a low of 7.495 per cent.



EUROPE

Hesitant mood trims Frankfurt

THIN and featureless trading left Frankfurt mixed with an easier bias, and the Commerzbank index, having taken account of the previous session's sharp declines, was 6.4 lower at 1,009.9 at its mid-session calculation.

The Bundesbank announcement of narrower 1984 targets for central bank money supply – from the current 4–7 per cent band to 4–6 per cent next year – came after trading closed. But brokers suggested that uncertainty over the Bundesbank's meeting before the decision contributed to the besitant mood.

Banks were stronger, bowever, with Dresdner 50 pfg ahead at DM 160.50 and Deutsche Bank 90 pfg higher at DM 311.90, while Commerzbank managed a 50 pfg rise to DM 159.50.

Chemicals saw BASF ease 30 pfg to DM 167.50, with Bayer and Hoechst both 10 pfg weaker at DM 167.40 and DM 173 respectively.

Daimler-Benz, which had moved DM 5.50 higher in the previous session, retreated by DM 5 to DM 659 ex dividend. The group expects West German car registrations to increase, after four years of depressed sales, by 13 per cent this year compared with 1982. The domestic market is forecast to approacb 2.4m cars, while overall car production is seen at 3.9m. Exports are likely to stagnate at 2.2m cars as fellow EEC members attempt to grapple with their own economic difficulties.

The stores sector continued weaker, with Horten finally yielding to the pressure affecting its main rivals. Horten sbed DM 2.50 to DM 182.50 as Karstadt surrendered a similar amount to DM 278.50 and Kaufhof beld steady at DM 263. Karstadt's loss for the week is just under DM 10.

Allianz continued to count the cost of its attempt to take over Eagle Star in the UK when its share price shed a further DM 2.50 to DM 794.50, a considerable improvement compared with the previous session's DM 25 drop.

Overnight falls in New York and currency factors bad little impact on Zurich yesterday, which closed mixed as domestic shares staged a rally near the close.

Credit Suisse featured with a SwFr 20 drop to SwFr 2,260. In its annual report on the world economy the bank sees real gross national product rising by 3.5 per cent in the 12 major industrial nations next year and suggests that world trade will pick up despite relatively high U.S. interest rates.

Other banks fell in sympathy, with UBS SwFr 10 down at SwFr 3,470.

Financials and insurances were mixed to lower.

Bonds were steady in quiet trading.

Seasonal factors affected Amsterdam, which closed mixed with selected issues recovering from a weak opening. The ANP-CBS general index sbed 0.6 to 141.6.

Elsevier regained losses incurred in the previous session, with a Fl 5 rise to Fl 471, while insurer Aegon added a healthy Fl 3.50 to Fl 112. The other impressive advance was for Westland Utrecht Bank, which finished Fl 4 stronger at Fl 115.

Continued on Page 34

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
17¼	8⅝	AAR	.44	5.8	19	46	14⅞	14¾	14⅞	−⅛
52¼	29½	ACF	1.40	2.8	233	251	50⅝	50⅛	50⅞	−⅛
18⅞	14¾	AMF	.50	3.2		514	15⅝	15⅜	15½	−⅛
39¼	18½	AMRCp			16	2113	35⅝	35¼	35⅜	−⅜
19½	15	AMR	pf2.18	12.		51	18⅝	18⅜	18⅝	+⅛
40¼	24⅞	AMR	pf2.13	5.8		14	37	36⅞	36⅞	−1⅛
16¼	3⅞	APL			23	52	15½	15⅜	15⅜	−⅛
55¼	33¼	ARA	2.58	4.0	11	325	51⅜	50¾	51¼	
79⅜	50¼	ASA	3a	5.5		449	56⅛	54⅜	54⅜	−1⅝
33¼	14	AVX	s .32	1.2	42	56	27⅝	26	27½	+1⅛
53⅜	36½	AbtLab	1	2.3	18	2329	44⅞	43⅜	43⅝	−1⅛
30⅛	23¼	AccoW	n.60	2.1	20	34	28⅛	27⅞	28	
27½	16⅝	AcmeC	.40	1.6		28	25¼	25	25¼	−¼
14⅜	7⅜	AcmeE	.32b	2.8	75	60	11¼	11⅜	11½	−¼
24⅞	8¼	AdmDg	.04	.2	18	55	20¼	20⅛	20⅛	−¼
18⅝	15	AdaEx	1.73e	9.7		33	18	17⅞	17⅞	−⅛
19⅝	7⅜	AdmMl	.24	1.5	8	35	15⅝	15⅜	15⅜	−¼
18⅝	8¼	Advest	.12	1.0	7	118	12⅛	12	12	−⅛
36½	11⅜	AMD	s		55	2657	32⅝	32	32⅜	+⅛
24⅝	12⅞	Aerflx	s		17	86	17	16¾	17	+⅛
43½	32⅞	AetnLf	2.64	7.3	8	3655	36½	35⅜	36	−½
65	55¼	AetL	pf5.09e	0.8		800	56⅞	56⅜	56⅜	−¼
40½	22½	Ahmns	1.20	4.3	8	396	28¼	27¼	28	
7⅜	2⅜	Aileen				85	5	4⅞	4⅞	−⅛
51	31	AirPrd	1	2.2	13	426	44⅞	44¼	44⅜	−⅛
30⅞	13⅝	AirbFrt	.60	2.1	23	132	28⅞	28⅜	28⅞	+⅛
2⅞	1½	AlMoa	s		23	277	2⅜	2⅜	2⅜	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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مكتاب الاصل

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

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NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 32

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X-Y-Z

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
50¾	35	Xerox	3	5.9	12	4354	u51⅛	50	51	+1
53⅜	48	Xerox	pf5.45	11.		630	49¾	49	49	−⅜
37	18¼	XTRA		1.6	23	60	35	34½	35	−¼
34	20¼	ZaleCp	1.26	4.2	17	63	30	30	30	
21⅞	14⅜	Zapata	.84	5.1	7	1013	16⅝	16¼	16⅜	
52¼	28⅞	Zayre	s .30	.7	13	121	42⅞	42	42⅝	−⅝
36	13⅜	ZenithR			38	1122	33⅛	32¼	32¼	−⅞
25½	14⅜	Zero	s .32	1.3	22	19	24¼	24½	24½	
37⅞	24⅛	Zurnin	1.32	4.6	10	127	28⅞	28⅝	28½	

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

EUROPE

Hesitant mood trims Frankfurt

Continued from Page 31

Internationals were mixed with KLM Fl 3.60 weaker at Fl 187.70 and Philips 50 cents off at Fl 41.70 Heineken continued on its losing streak with a further Fl 1.50 drop to Fl 124, a loss of almost Fl 5 on the week. Royal Dutch was 90 cents easier at Fl 135.30.

Technical selling hit Gist-Brocades, the biotechnology group, with a Fl 2.80 setback at Fl 156.

Hoogovens, following production cutbacks announced on Wednesday, was 50 cents off at Fl 38.50.

Bond prices, between 20 cents and 30 cents lower, were affected by a lacklustre new state bond, a busy new-issue calendar and depressed U.S. credit markets.

Profit-taking became evident in Paris as shares generally moved lower, with the exception of metals, hotels and engineerings mixed.

Some stocks with large North American exposure suffered as Moët Hennessy dropped FFr 39 to FFr 1,351, Pernod Ricard FFr 12 to FFr 725 and Moulinex FFr 1.9 to FFr 103.

Matra was also a weak spot, FFr 35 down at FFr 1,235.

The Bank of France's decision to raise call money rates even further, by a ½ percentage point to 12½ per cent, dampened any vigour the market could muster.

A more optimistic note however was revealed in the Bank's monthly survey of French business leaders which suggested that a modest improvement in industrial production in the first quarter of 1984 is expected as foreign demand picks up. Domestic demand will remain depressed.

Those surveyed for the report complained that profit margins remain insufficient as raw material costs rise in relation to the dollar's sharp appreciation against the franc.

Insurance shares staged broad gains in active but mixed Milan trading yesterday with the Pesenti group issue RAS leading the advance.

Industrials were largely mixed, with Fiat L 43 up at L 3,188 and Olivetti L 40 better at L3,600, while Montedison at L208 was L1 lower. Major banking shares were generally steady.

Bond market prices also closed mixed with Treasury certificates and indexed Enel bonds in good demand.

Chemical's holding companies, utilities, non-ferrous metals and steel stocks all improved in Brussels trading, although the market index finished 0.6 lower at 133.52.

Solvay led the chemical sector with a BFr 60 rise to BFr 3,500, and UCB added BFr 10 to BFr 4,110. Groupe Bruxelles Lambert put on BFr 15 to BFr 2,265 although Sofina was unchanged at BFr 5,200.

Swedish shares continued to fall in listless Stockholm trading. Electrolux was actively traded, however, and shed SKr 1 to SKr 244, while Ericsson sustained a SKr 5 setback to SKr 415 and Atlas Copco fell SKr 2 to SKr 110, taking it back to levels before the recent boom in mining and rock drilling equipment shares.

Sentiment was soured by the central bank's limit of 4 per cent on credit growth for next year. Credit growth for the current year is estimated at between 6 to 7 per cent.

Most sectors in Madrid moved lower as the General Index closed 4.47 off at 119.97.

Steels and chemicals showed some firmness, while some banks remained unchanged in the face of widespread losses.

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 33

[illegible]

CANADA

[illegible]

DENMARK

[illegible]

FRANCE

[illegible]

GERMANY

[illegible]

AUSTRIA

[illegible]

BELGIUM/LUXEMBOURG

[illegible]

NETHERLANDS

[illegible]

NORWAY

[illegible]

SPAIN

[illegible]

SWEDEN

[illegible]

SWITZERLAND

[illegible]

ITALY

[illegible]

AUSTRALIA

[illegible]

HONG KONG

[illegible]

JAPAN

[illegible]

SINGAPORE

[illegible]

SOUTH AFRICA

[illegible]

JAPAN (continued)

[illegible]

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

Indices

NEW YORK — DOW JONES

[illegible]

STANDARD AND POORS

[illegible]

N.Y.S.E. ALL COMMON

[illegible]

MONTREAL / TORONTO

		Dec 15	Dec 14	Dec 13	Dec 12	1983 High	1983 Low
MONTREAL	Industrials	441.89	442.56	445.46	444.78	493.88(5/5)	328.12(4/1)
	Combined	424.38	426.48	428.7	427.81	441.29(26/9)	319.4(5/5)
TORONTO	Composite	2515.2	2538.2	2538.6	2536.3	2598.2(26/9)	1949.8(4/1)

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

[illegible]

WORLD Capital Intl. (1/1/70)	—	179.4	180.2	181.1	186.8 (18/10)	154.3 (8/1)

(**) Saturday Dec 10: Japan Nikkei-Dow (c), TSE (c).

Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

LONDON STOCK EXCHANGE

MARKET REPORT

Equities remain steady to firm as sterling stabilises

Index up 1.7 at 752.8—Gilts easier

Account Dealing Dates

Option *First Dealings	Declara-tions	Last Dealings	Account Day
Nov 28	Dec 8	Dec 9	Dec 19
Dec 12	Dec 22	Dec 29	Jan 9
Dec 30	Jan 12	Jan 13	Jan 23

* "New-time" dealings may take place from 6.30 am two business days earlier.

The underlying tone in London stock markets held steady to firm yesterday, with leading equities edging a little higher and Government stocks less unsettled than on Wednesday in sympathy with sterling's more stable tone.

Overall trading conditions remained thin with seasonal influences making an increasing impact on the volume of business. Renewed overnight weakness of the U.S. bond market on fears of tighter credit terms led to early uncertainty in Government securities. Henry Kaufman's forecast that U.S. interest rates will rise next year also undermined early sentiment and falls in longer-dated stocks ranged to ¼, but sterling's steadier showing helped by BNOC's reassuring statement on North Sea oil prices induced a rally and closing losses were reduced to ⅛. Shorter maturities plotted an irregular course but the FT Government Securities index eased only 0.4 for a six-day reaction of 1.07 at 82.26; this compares with the year's high of 83.70 attained on November 11.

Leading blue chip industrials passed a quietly firm session, once more shrugging aside sterling's precarious position. Institutional investors were in evidence for selected stocks, while secondary issues were usually featured by special situations and by a fairly lengthy list of company trading statements.

Continuing Wednesday's late rallying movement, the FT Industrial Ordinary share index opened with an improvement of 0.5 which was extended to 1.7 at 1 pm and the higher level was held to the close of 752.8.

Of the index constituents, BOC stood out with a fresh advance of 10 at 287p on U.S. buying, while TI revived with a gain of 6 to 164p, partly on renewed suggestions that the group might be contemplating the sale of its Raleigh interests. Distillers, on the other hand, fell 11 to 218p following disappointment with the first-half profits which were more than £6m below expectations. Elsewhere, Reuter's decision to seek a public flotation helped selected newspaper issues, while merchant banks again traded actively under the lead of Hill Samuel which responded to revived suggestions of a bid from the U.S.

Merchant Banks up

Another mild bout of U.S. bid speculation aroused support of selected Merchant Banks. Hill Samuel regained Wednesday's loss and more to close 12 up at 347p, while Kleinwort Benson rose 10 to 365p and Mercury Securities 15 to 505p. Among Financial Holding issues, Minster Assets picked up 4 to 108p and in Overseas Banks, Standard Chartered advanced 11 to 476p.

Insurances were cautious awaiting developments in the Eagle Star situation. The latter improved 4 eventually to 720p, but Royal fell 6 to 512p. Hogg Robinson remained at 131p after the announcement of the U.S. sale.

Moray Firth Maltings, the whisky concern, became the first newcomer to the Unlisted Securities market since Aspinall to create any sort of excitement; the shares, placed at 195p, opened at 225p before settling at 215p. The market debut of VG Instruments was quiet in comparison and the shares opened and closed at 134p compared with the minimum tender and striking price of 130p.

Already a couple of pence easier ahead of the announcement, Distillers justified investors' nervousness by revealing first-half profits well short of market estimates. Sentiment was additionally unsettled by the gloomy tenor of the accompanying statement which anticipated a substantial shortfall in full-year earnings and the shares fell to 215p before bear closing left the close a net 9 cheaper at 220p. Arthur Bell eased 3 to 130p in sympathy. Among Ciders, H. P. Bulmer continued to react to the warning on second-half trading that accompanied Wednesday's interim results and dipped to 230p before rallying in a lively two-way business to finish 13 off on balance at 235p. Merrydown eased 5 more to 365p.

Leading Buildings rarely stirred, but secondary issues provided several noteworthy movements. John Finlan, down 12 on Wednesday in the wake of a badly handled selling order, rallied 10 to 170p, while Francis Parker, the subject of a bid approach, put on 3½ to 52p on talk of an imminent offer for the company. Tilbury Group firmed 3 to 87p on revived bid speculation, while renewed demand demand lifted Tysons 4 to 66p. F. J. C. Lilley gained 6 to 77p following a meeting with brokers. On the other hand, McCarthy and Stone shed 15 to 355p on the rights issue proposal that accompanied the preliminary results, while Modern Engineers of Bristol gave up 3 to 23p despite the return to profitability at the half-way stage. Burnett and Hallamshire, having shown signs of rallying in recent days, dropped 10 to equal the 1983 low of 140p.

ICI drifted gently lower in the absence of fresh support and a lead from Wall Street to close 4 cheaper on balance at 650p. Amersham International again lacked support and softened 2 to a low for the year of 204p, but Plysu hardened a couple of pence to 200p following the interim statement.

Vantona rally

Early proceedings in Stores were dominated by Vantona Viyella which eased a couple of pence in initial reaction to the announcement that ICI had placed its stake, amounting to around 20 per cent of the equity, with various institutions at around 148p per share; consideration of the profits and dividend forecasts that accompanied the announcement stimulated good support of the shares, however, and the close was 10 up on balance at 169p.

Major retailers again traded quietly and generally displayed modest gains, Burton rising 4 to 416p and Gussies A 5 to 615p. Trading statements provided some interest in generally lack-lustre second-liners, notably Albion, which spurted 6½ to 20p following the return to full-year profits and confident statement. K. O. Boardman hardened a fraction at 14½p after interim figures.

FII, buoyant recently following publicity given to its rhinitis cure, encountered profit-taking and, in a narrow market, fell 11 to 169p.

A firm electrical and electronics sector was marred by weakness in United Scientific, down 27 at 335p following acute disappointment with last year's profits growth. Cable and Wireless staged a tentative recovery to 278p, up 6, while the new 100p-paid shares fetched a premium of 3 at 103p. Plessey found support and moved up 5 to 237p, but GEC were unable to hold all of an early rise of 4 and ended only 2 better on balance at 176p. Elsewhere, NEC gained 14 to 432p and MMT Computing 5 to 80p.

Engineerings presented an usually cheerful picture. TI bounded to 168p before settling a net 6 up at 164p on revived speculation concerning its Raleigh division and other vague possibilities, while renewed investment demand took Hawker Siddeley 8 higher to 358p. Baker Perkins attained a peak for the year of 122p, also up 8, while Birmid Qualcast rose 2½ to 52p and Glynwed a similar amount to 120p, both to 1983 highs. Favourable comment on Westland's preliminary results brought a rise of 10 to 150p, while sharply increased interim profits took Tex Abrasive up 4 to 50p. Arthur Lee, which reported a pre-tax loss yesterday, improved 1½ to 14p.

Unigate touched 120p on interim profits at the top of the estimated range before profit-taking left the close just a penny dearer on balance at 116p. Other movements in the Food sector were usually against holders, but Ranks Hovis McDougall found support and improved 1½ to 74½p. Elsewhere, Paterson Jenks hardened 3 to 191p following the sharply higher interim profits and 43 per cent dividend increase. Bio-Isolates remained an uneasy market and dipped to 63p before rallying on cheap buying to close 5 higher on balance at 80p. J. E. England, still disappointed by the announcement that talks about a possible acquisition had been terminated, shed 2 for a two-day fall of 7 to 18p.

Savoy A put on 6 to 292p on the announcement that Trusthouse Forte had increased its stake in the A shares from 64 per cent to 69 per cent which raises THF's proportion of the voting rights in Savoy from 40.2 per cent to 42.3 per cent.

U.S. buy BOC Int'l

American buying brought a sharp response in BOC International which spurted to 295p prior to closing a net 10 up 287p, while revived speculative support carried Rank Organisation up 11 to 189p; talk persisted that a consortium could soon launch a bid for the latter. Investment demand lifted British Aerospace 8 to 218p and Applied Computer Technologies 25 to 525p. Among other first-line issues, Hanson Trust became unsettled by the recent share disposals and the supposed reasons for them; a fair amount of selling developed and Hanson closed 7 down at 260p.

London and Liverpool also came under renewed pressure and fell 5 to 25p, while Barget came back 7 to 38p. Flexello Castors, however, responded to the encouraging statement on prospects and jumped 9 to 40p. Also firmer on trading news were Elson and Robbins, 4 dearer at 70p, and Arenson, 2 better at 24p. Redfearn National Glass, at 78p, regained 5 of Wednesday's fall of 14 which followed the poor annual results. Dealings in Trans Continental Services were suspended for the second time this week, with the price at 190p.

Slightly increased mid-term profits helped BET Deferred to harden 3 to 268p, but disappointing results lowered English China Clays 7 to 205p, after 204p. Evode attracted demand on talk of a broker's visit and finished 8 up at 104p, while Steetley picked up 7 at 232p following reports of an early Monopolies Commission decision on the Hepworth Ceramic bid.

In contrast to uninspiring results from T. Cowie and Western Motor on Wednesday, Arlington Motor announced doubled interim profits and firmed 5 to 154p. Among Components, Lucas remained friendless and shed 4 more to 180p, while AE eased a fraction to 60½p following the annual results.

The announcement late on Wednesday that Reuters is to seek a public flotation next spring prompted substantial support of Publishers. Fleet Holdings rose 7 to 132p, after 133p, while Associated advanced 18 to 378p with Daily Mail A 25 dearer at 700p. Reed International, due to hive off its Mirror Group subsidiary in the New Year, ended unchanged at 272p, after 278p. The FT-Actuaries Newspapers and Publishing index rose 2.2 per cent to an all-time peak of 1036.07. Elsewhere, a newsletter recommendation lifted rumoured "shell" situation Wace 5 to 32p.

Steady to a shade firmer for most of the session, Properties encountered late selling and closed on a distinctly easier note. Land Securities, a particularly good market recently, finished 2 cheaper at 262p, while MEPC continued to give ground in the wake of the previous strong run and closed 4 lower at 256p. British Land gave up 2½ to 98p and Stock Conversion 5 to 312p. The forecast of a substantially better second-half failed to sustain Haslemere Estates, which shed 12 to 458p on disappointment with the lower first-half profits, while the interim profits expansion failed to support Tops Estates, which shed 3 to 80p. Among the few movements against the trend, GRA put on 4½ to 47½p on revived speculative interest, while Sheafbank firmed 3 to 21p following an investment recommendation.

Investment Trusts featured Far-Eastern issues. Crescent Japan stood out with a gain of 23 to 692p, while G. T. Japan, 695p, and Fleming Japanese, 418p, rose 17 and 10 respectively. In Financials, M & G, a buoyant market recently, hardened a few pence more to 622p following the sharply increased annual profits and dividend.

The Oil majors lacked a decided trend and closed with small irregular movements. Among the more speculative issues, Atlantic Resources encountered fresh selling and shed 20 for a two-day fall of 35 to 655p, while Eglinton gave up 10 to 275p. Gaelic lost 5 to 35p following the share placing proposal. Elsewhere, Weeks (Bermuda) put on 15 and Weeks Australia gained 10 to the common price of 345p on takeover hopes.

Murchison up again

Activity in mining markets fell to minimal levels. An initial flurry of buying interest was quickly stifled by the lack of progress in precious metal prices and renewed weakness in base-metals, notably copper, which lost ground for the third successive trading day.

Among the sectors, features were few and far between but the South African antimony/gold producer Consolidated Murchison remained a firm market and rose 15 for a two-day gain of 40 to a 1983 high of 665p, on the recent strength of free market antimony prices.

South African Golds failed to attract any substantial interest ahead of today's closure of the Johannesburg Stock Exchange.

Modest buying was evident in the morning but this quickly petered out to leave the majority of issues showing small losses.

The Gold Mines index fell 7.0 more to 570.5, extending the loss over the past two days to 13.6. Bullion moved narrowly prior to closing a net 75 cents up at $389.125 an ounce.

Leading heavyweights were highlighted by weakness in Doornfontein, ¾ cheaper at £15.

Second-line and marginal Golds remained under pressure. Simmer and Jack were especially vulnerable and dropped 60 to 330p, while Grootvlei fell 37 more to 916p and South African Land 22 to 430p.

South African Financials retreated along with Golds, De Beers losing 8 to 520p.

London stocks were usually a couple of pence easier with the notable exception of Consolidated Gold Fields, which dropped 16 to 494p on persistent and often sizeable selling.

Australians were little changed either way in subdued trading, but speculative demand lifted Pan continental Mining 6 to 82p.

Recent support for Traded Options all but evaporated and only 1,074 contracts were struck —the lowest since late August. GEC attracted 114 calls and 39 puts. Isolated premiums disclosed useful gains with Lasmo February 260 calls 5 better at 19p. Mining puts made progress with Cons. Gold Fields January 500's 5 up at 30p, and De Beers 750 puts 7 up at 25p.

FINANCIAL TIMES STOCK INDICES

	Dec. 15	Dec. 14	Dec. 16	Dec. 12	Dec. 9	Dec. 8	year ago
Government Secs.	82.26	82.30	82.46	82.51	82.77	83.29	78.80
Fixed Interest	85.81	85.83	85.92	86.90	86.25	86.41	80.95
Industrial Ord.	752.8	761.1	750.8	753.7	767.1	760.2	690.6
Gold Mines	670.5	677.6	584.5	573.1	657.2	592.3	617.8
Ord. Div. Yield	4.65	4.65	4.66	4.64	4.65†	4.60	5.05
Earnings, Yld.% (full)	9.61	9.53	9.54	9.50	9.48	9.46	10.82
P/E Ratio (net) (*)	12.83	12.61	12.79	12.86	12.88	12.88	11.09
Total bargains	19,822	18,962	20,863	21,030	22,620	23,109	17,809
Equity turnover £m.	—	189.50	209.13	254.14	334.24	297.26	136.6
Equity bargains	—	15,413	16,656	18,250	23,414	21,144	14,916
Shares traded (mil.)	—	109.7	129.6	147.8	187.9	185.6	98.0

10 am 751.8. 11 am 751.1. Noon 752.8. 1 pm 752.8. 2 pm 752.5. 3 pm 752.1.

Basis 100 Govt. Secs. 16/1/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/1/58. SE Activity 1974. † Correction.

Latest Index 01-246 8026.

Nil=12.06.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.70 (11/11)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	86.41 (7/12)	79.05 (1/2)	150.4 (28/11/47)	50.66 (3/1/75)
Ind. Ord.	760.2 (8/12)	598.4 (12/1)	760.2 (8/12/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2)	444.5 (1/11)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Dec. 14	Dec. 13
—Daily Gilt Edged Bargains	165.8	163.1
Equities Bargains	99.9	107.9
Value	382.0	422.7
5-day Avrge Gilt-Edged Bargains	172.8	177.7
Equities Bargains	123.9	126.9
Value	519.0	526.9

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thur Dec 15 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Wed Dec 14 Index No.	Tues Dec 13 Index No.	Mon Dec 12 Index No.	Fri Dec 9 Index No.	Year ago (approx) Index No.
1	CAPITAL GOODS (203)	[illegible]	+0.6	9.23	3.87	13.99	457.92	460.28	458.97	464.88	422.18
2	Building Materials (24)	[illegible]	—	11.08	4.73	11.25	443.09	444.90	446.79	448.26	398.01
3	Contracting, Construction (30)	[illegible]	−0.2	14.17	5.38	8.80	666.60	671.33	669.90	678.52	726.32
4	Electricals (30)	[illegible]	+1.1	8.39	2.48	15.70	1617.86	1634.00	1611.79	1673.68	1648.84
5	Engineering Contractors (10)	433.74	—	13.39	6.45	9.53	433.85	434.61	437.75	436.89	449.11
6	Mechanical Engineering (59)	[illegible]	+1.9	11.45	5.41	10.75	206.74	206.47	207.53	206.92	194.08
8	Metals and Metal Forming (9)	170.11	+0.5	10.97	6.89	11.08	169.22	168.53	170.35	170.21	144.67
9	Motors (17)	[illegible]	—	1.49	4.58	—	118.31	117.68	118.87	119.59	74.33
10	Other Industrial Materials (16)	[illegible]	+0.1	5.19	3.71	25.54	603.26	604.53	608.62	592.07	358.24
21	CONSUMER GROUP (197)	[illegible]	−0.2	10.56	4.41	11.99	454.22	454.68	456.08	456.40	398.64
22	Brewers and Distillers (23)	441.11	−0.5	13.44	5.32	9.27	443.48	447.54	453.97	456.51	430.39
25	Food Manufacturing (22)	358.81	−0.4	12.09	5.67	9.85	360.33	359.72	361.02	360.81	328.03
26	Food Retailing (13)	1041.77	−0.7	7.75	2.71	16.55	1049.20	1054.41	1052.15	1063.56	862.82
27	Health and Household Products (9)	722.39	−0.3	6.53	3.04	17.99	724.27	718.71	726.11	727.98	680.72
29	Leisure (23)	999.85	+0.4	8.45	4.56	15.28	997.51	996.75	994.66	993.77	448.49
32	Newspapers, Publishing (15)	1056.07	+2.2	8.99	4.61	14.32	1033.50	1009.25	1005.96	1007.52	681.98
33	Packaging and Paper (14)	212.29	−0.2	11.24	4.76	11.06	212.73	211.77	210.65	208.61	141.62
34	Stores (47)	425.71	+0.1	7.96	3.63	16.93	425.46	428.06	427.30	424.26	376.88
35	Textiles (20)	247.69	+1.1	12.16	4.79	9.53	245.02	245.72	248.45	249.32	170.73
36	Tobaccos (3)	460.97	−0.4	21.62	6.94	5.18	462.96	458.61	457.06	460.41	448.70
39	Other Consumer (8)	446.91	+0.2	10.08	5.62	—	446.18	446.18	444.16	444.73	320.87
41	OTHER GROUPS (84)	428.07	+0.4	7.95	4.18	15.92	428.39	416.54	416.46	416.58	284.41
42	Chemicals (16)	628.98	+0.2	7.83	4.06	18.85	627.59	620.73	620.26	617.83	374.18
44	Office Equipment (6)	113.42	+3.7	8.48	4.54	14.69	109.36	110.39	110.82	110.06	83.82
45	Shipping and Transport (14)	798.19	+1.3	7.95	5.88	16.99	787.70	786.75	788.57	784.14	581.90
46	Miscellaneous (48)	528.79	+0.1	8.78	4.84	13.67	528.05	528.64	528.31	531.78	407.82
49	INDUSTRIAL GROUP (484)	455.93	+0.2	9.69	4.20	12.87	455.10	455.79	456.08	458.34	391.46
51	Oils (16)	921.60	+0.3	12.13	6.44	10.01	918.82	919.45	923.90	922.18	717.49
59	500 SHARE INDEX	494.86	+0.2	10.08	4.56	12.31	493.86	494.55	495.20	496.93	418.50
61	FINANCIAL GROUP (123)	368.26	−0.2	—	5.25	—	369.10	368.26	367.54	368.13	267.43
62	Banks (6)	378.25	−0.5	22.88	6.77	4.74	380.11	375.97	383.11	385.15	286.51
63	Discount Houses (8)	341.44	—	—	7.99	—	341.44	339.87	339.43	335.20	286.54
65	Insurance (Life) (9)	505.60	−0.1	—	4.45	—	505.95	510.33	500.47	496.68	357.52
66	Insurance (Composite) (10)	253.59	−0.5	—	6.06	—	254.96	255.13	252.32	252.52	173.18
67	Insurance Brokers (7)	654.81	−0.4	10.46	4.58	13.00	656.41	647.20	643.07	639.44	479.85
68	Merchant Banks (12)	230.90	+1.7	—	3.99	—	227.05	223.18	222.04	219.58	151.66
69	Property (53)	524.39	−0.8	5.73	3.70	23.33	528.61	529.28	527.09	532.90	480.82
70	Other Financial (18)	260.04	+1.3	10.59	5.21	11.37	256.82	257.23	258.22	258.23	184.52
71	Investment Trusts (108)	469.78	+0.1	—	3.88	—	469.36	468.71	470.01	471.12	358.71
81	Mining Finance (4)	274.95	−1.2	9.59	5.31	12.80	278.35	280.90	280.95	283.48	229.46
91	Overseas Traders (15)	497.82	+0.6	7.69	7.52	18.53	494.85	489.34	488.19	489.21	376.92
99	ALL-SHARE INDEX (750)	463.65	+0.1	—	4.68	—	463.21	463.50	463.85	465.33	378.96

FIXED INTEREST

	PRICE INDICES	Thur Dec 15	Day's change %	Wed Dec 14	xd adj. today	xd adj. 1983 to date
	British Government					
1	5 years	117.37	+0.03	117.33	—	11.02
2	5-15 years	131.27	−0.09	131.44	0.17	12.97
3	Over 15 years	141.08	+0.04	141.03	—	13.24
4	Irredeemables	149.66	—	149.66	—	13.57
5	All Stocks	129.71	+0.02	129.76	0.07	12.44
6	Debentures and Loans	107.12	−0.02	107.14	—	10.88
7	Preference	80.41	−0.03	80.44	—	6.52

	AVERAGE GROSS REDEMPTION YIELDS		Thur Dec 15	Wed Dec 14	Year ago (approx)
	British Government				
1	Low	5 years	9.45	9.45	9.82
2	Coupons	15 years	10.12	10.12	10.38
3		25 years	9.88	9.87	10.69
4	Medium	5 years	11.10	11.09	11.61
5	Coupons	15 years	10.80	10.80	11.60
6		25 years	10.23	10.24	11.14
7	High	5 years	11.23	11.24	11.71
8	Coupons	15 years	10.95	10.95	11.78
9		25 years	10.32	10.32	11.35
10	Irredeemables†		9.83	9.83	10.75
11	Debs & Loans	5 years	11.63	11.64	12.39
12		15 years	11.63	11.62	12.39
13		25 years	11.63	11.62	12.39
14	Preference†		12.31	12.31	12.95

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (80)

FOREIGN BONDS (1): Japan 6pc 1983-88

BANKS (2): Mercury Secs, Schroders

BREWERS (1): Irish Distillers

BUILDINGS (2): May & Hassell, Nottingham Brick

CHEMICALS (2): Allied Colloids, Plysu

STORES (3): Gelfer (A. J.), Hepworth (J.), Vantona Viyella

ELECTRICALS (4): Crystalate, NEC Cpn, Thermal Scientific, Toshiba Cpn

ENGINEERING (8): Baker Perkins, Birmid Qualcast, Carclo Eng., Cooper Inds, Delta Group, Glynwed Intl, Smith Whitworth, Tomkins (F. H.)

FOODS (1): Paterson Jenks

HOTELS (1): Stakis

INDUSTRIALS (11): Assoc British Ports, BOC, BOC 9pcLn '81-06, Crosby Woodfield, Flexello C. & W., Fogarty Did, Renown Inc, SI Group, Sandhurst Mktg, Steetley, Lamont

INSURANCE (3): Marsh & McLennan, Stewart Wrightson, Windsor Secs

LEISURE (2): Anglia TV A, GRA Group

MOTORS (1): Kenning Motor

NEWSPAPERS (2): Bristol Ev. Post, Utd Newspapers

PROPERTY (3): Centrovincial Ests, Clarke, Nickolls, Mountview Ests

SHIPPING (1): Brit. & C'wealth

TEXTILES (3): C'tauids 7pcDb '82-87, Crowther (J.), Dawson Intl

TRUSTS (17): Caledonia Invs, Crescent Japan, Drayton Japan, Flmng. Am. Ln 1999, Fleming Far Eastn, Fleming Japanese, Fleming Japanese a, GT Japan, Leda Cap, Meldrum, Moorgate, Murray Glendevon, New Tokyo, TR Australia, TR North America, TR Pacific Basin, M & G Grp

OILS (7): Bridge Oil, Brunswick Oil, Caledonian Offshore, Claremont Pet., Weeks Australia, Weeks (Bermuda), Weeks (Australia)

OVERSEAS TRADERS (2): Boustead, Harrisons & Crosfield

PLANTATIONS (2): Kuala Kepong, Moran Tea

MINES (1): Cons Murchison

NEW LOWS (16)

BREWERS (1): Young Brewery A

BUILDINGS (1): AMEC

CHEMICALS (1): Amersham Intl.

ELECTRICALS (1): Oceonics

ENGINEERING (3): Howden Grp, Locker (T.), Locker (T.) A

FOODS (2): Bio-Isolates, Nurdin & Peacock

INDUSTRIALS (3): Metal Sciences, Polmark Pf A, Pritchard Services

PROPERTY (1): County Props

TEXTILES (1): Nova (Jersey) Knit

TRUSTS (1): Aitken Hume

OILS (3): Edinburgh Secs, Gulfstream Res, LASMO Ops

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1983. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. ♦ Figures or report awaited. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. ‡ Effective issue price after scrip. † Formerly dealt in under special rule. †† Dealt in under Rule 163 (3). ✱ Unlisted Securities Market. * Comprising of 10 New ordinary plus 1 Series B Warrant. C Canadian.

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Dec 5	Dec 16	Mar 8	Mar 19
Dec 19	Jan 6	Mar 22	April 2
Jan 9	Jan 20	April 2	April 16

For rate indications see end of Share Information Service.

Stocks favoured for the call included GEC, Royal Bank of Scotland, London and Liverpool, London and Northern, UKO, Woodside, Aspinall, Bula, Pict Petroleum, W. E. Norton, Bio-Isolates, Yelverton, Guinness Peat and Southwest Resources. Puts were taken out in Atlantic Resources, London and Liverpool and UKO.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	18	22	62
Corpns. Dom. and Foreign Bonds	10	10	57
Industrials	246	234	922
Financial and Prop.	61	114	350
Oils	22	36	60
Plantations	5	—	16
Mines	15	85	68
Others	22	101	59
Totals	399	602	1,593

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
AE	60½	− ½
Atlantic Res.	655	−20
BOC	287	+10
BP	396	+ 4
Distillers	220	− 6
Fleet Holdings	132	+ 7
Haslemere Estates	458	−12
ICI	650	− 4
Rank Organisation	189	+11
TI	164	+ 6
Unigate	116	+ 1
Vantona Viyella	168	+ 9

WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Wed. close	Day's change
Bulmer (H. P.)	16	248	−25
Eagle Star	17	716	+ 1
AB Electronic	15	400	+45
Bio-Isolates	14	75	−16
Lon. & Liv. Tst.	14	30	− 3
FII	13	180	+12
Metal Box	13	308	+16
BOC	12	277	+12
Beecham	11	317	+ 5
Bula Res.	11	32	− 3
GEC	11	174	− 4
BTR	10	428	+ 1
Glaxo	10	725	+ 5
Nat. West. Bk.	10	648	+ 9

EUROPEAN OPTIONS EXCHANGE

TOTAL VOLUME IN CONTRACTS: 10,050

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Dec. 15. Total Contracts 1,074. Calls 914. Puts 160

* Underlying security price

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

1983 High	1983 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
		"Shorts" (Lives up to Five Years)				
99½	96¼	Funding 5½pc '82-84‡‡	99½xd	.....	5.52	5.43
101¼	99½	Exch. 11¼pc 1984	100	+⅛	11.22	9.20
104⅛	100½	Exchequer 14pc 1984	101	+⅛	11.74	9.52
97	92½	Exch. 3pc 1984	96xd	–⅛	3.09	9.22
102	100	Treasury 12pc 1984	101¼	+⅛	11.79	9.49
107	104	Treasury 15pc 1985	105	.....	14.28	10.24
107	101	Exch. 12pc Cnv. '85	102¼	–⅛	11.75	10.11
94	88⅝	Treasury 3pc 1985	93⅞	–⅛	3.20	7.69
102½	99⅛	Treasury 11½pc 1985	101xd	+⅛	11.28	10.19
102	95	Treas 8¼pcCnv '85	98¼	.....	8.92	9.91
103¼	100⅛	Exch. 12¼pc 1985	102⅞	.....	11.91	10.53
102⅞	99	Exch. 11¾pc '86	101	.....	11.53	10.67
102½	97¼	Treas 10pc Cnv 1986	100	+⅛	9.98	9.87
88	85⅝	Treasury 3pc 1986	88	+⅛	3.39	8.30
101	97	Exch. 10½pc Cv '86	100	+⅛	10.48	10.40
103	100	Treasury 12pc '86	102	.....	11.74	10.96
97	94⅝	Treasury 8¾pc '84-86‡‡	97¼xd	–⅛	8.79	9.76
110	103¼	Treas. 12¼pc '86 Cnv.	108½xd	.....	11.29	8.53
109	105	Exch. 14pc 1986	107¼	–⅛	13.07	11.02
84⅞	84½	Exch 2½pc 1986	84	.....	2.95	8.49
107¼	103⅝	Exch. 13¼pc 1987	105⅝	+¼	12.54	11.02
100	95⅞	Treas 10¼pc Cnv '87	98⅜	+⅛	10.42	10.85
84	80¼	Exchequer 2½pc 1987	83	.....	5.00	8.63
100	95⅞	Exch. 10½pc 1987	98	–⅛	10.64	10.96
93¼	88⅛	Funding 6½pc '85-87‡‡	91	–⅛	7.11	9.52
98	96	Treas 10pc 1987	97	–⅛	10.28	10.92
85	80¼	Treasury 3pc 1987	83xd	–⅛	3.61	8.56
104⅝	99⅞	Treas 12pc 1987	102¼	.....	11.68	11.08
93¼	89⅛	Treasury 7¾pc '85-88‡‡	92⅝	.....	8.37	9.96
101½	95½	Exch 10½pc '88	98	–⅛	10.64	10.85
98⅜	95	Treas 9¾pc Conv '88	96⅜	–⅛	10.12	10.78
81½	75⅝	Transport 3pc '78-88	80½xd	.....	3.73	8.27
96¼	90¼	Treas. 9½pc '88	94⅞	–⅛	10.04	10.95
		Five to Fifteen Years				
105½	95¼	Treasury 11½pc 1989	105	.....	11.35	11.12
103	94¼	Treas 10½pc 1989	98	.....	10.72	11.01
60	59½	Exch 10pc 1989 (£60pd)	59½	.....	10.38	10.89
83¼	76	Treasury 5pc '86-89	82	.....	6.16	9.24
114	103	Treasury 13pc 1990‡‡	107xd	+⅛	12.03	11.15
109⅞	100⅞	Exch. 12½pc 1990	108¼	.....	11.87	11.27
93¼	86¼	Treasury 8¼pc '87-90‡‡	89⅞	.....	9.18	10.44
108¼	97	Treasury 11¾pc 1991	102¼xd	–⅛	11.50	11.38
83	74⅛	Funding 5¾pc '87-91‡‡	81¼	+⅛	7.19	9.62
103	95⅞	Exch. 11pc 1991	101	.....	11.06	11.09
114⅛	102	Treasury 12¾pc '92‡‡	113	.....	11.82	11.23
100	88¼	Treasury 10pc 1992	98⅝	.....	10.48	10.84
110¼	98½	Exch. 12¼pc '92	108⅞	.....	11.66	11.30
116	106½	Exchequer 13½pc '92	114⅝	.....	12.11	11.38
119	101¼	Treasury 12½pc '93‡‡	106½xd	–⅛	11.63	11.23
79⅛	71	Funding 6pc 1993‡‡	77½	.....	7.90	9.80
120¼	110½	Treasury 13¾pc 1993‡‡	115¼	.....	12.82	11.29
125¼	112¼	Treasury 14½pc '94‡‡	124¼	.....	12.09	11.17
117⅞	109⅛	Exchequer 13½pc 1994	113	–⅛	11.93	11.30
111⅞	100½	Exch. 12½pc 1994	111⅛	–⅛	11.61	11.23
94⅝	86¼	Treasury 9pc '94‡‡	91⅛	.....	4.96	10.49
110⅛	98	Treasury 12pc '95	109½	–⅛	11.45	11.22
65¼	61½	Gas 3pc '90/95	63¼	.....	4.77	8.08
101¼	88¼	Exch. 10¼pc 1995	94¼xd	+⅛	10.70	10.92
116⅝	106⅛	Treasury 12¾pc '95‡‡	112¼	+⅛	11.48	11.05
126¼	118	Treas. 14pc '96	123½	.....	11.88	11.25
93¼	83⅛	Treasury 9pc '92/96‡‡	92⅝	.....	9.99	10.44
133¼	121¼	Treasury 15¼pc '96‡‡	128⅜	.....	12.05	11.22
121¼	109¼	Exchequer 13¼pc '96‡‡	115⅞	.....	11.55	11.04
70	58	Redemption 3pc 1986-96	69¼	.....	4.37	6.68
123⅝	107	Treasury 13¼pc '97‡‡	120¼	.....	11.48	10.99
103⅞	89½	Exchequer 10½pc 1997	101⅛	.....	10.74	10.81
92	80½	Treasury 8¾pc 1997‡‡	90¼	.....	9.98	10.45
131¼	120¼	Exch. 15pc 1997	128½	–⅛	11.86	11.19
70⅜	69½	Treasury 6¾pc '95-98‡‡	75⅛	.....	9.08	10.19
137⅞	124¼	Treas. 15½pc '98‡‡	134⅞	.....	11.78	11.04
114½	101	Exch. 12pc 1998	109	+⅛	11.10	10.88
		Over Fifteen Years				
99	86¼	Treasury 9½pc 1999‡‡	92⅛xd	.....	10.16	10.36
115⅝	103¼	Exch. 12¼pc 1999	113	+⅛	11.11	10.85
104¼	92¼	Treasury 10½pc 1999	100	+⅛	10.50	10.60
100	98	Conver'n 10¼pc 1999	90	.....	10.53	10.59
124¼	106	Treas. 13pc 2000	115⅝xd	.....	11.14	10.83
128⅞	113¼	Treas. 14pc '98-01	121⅞	+⅛	11.57	11.06
116⅝	99¼	Exch. 12pc '99-02	113½	.....	11.04	10.81
130	111	Treas 13¾pc 2000-03	127½	+⅛	11.26	10.84
113⅝	99⅜	Treasury 11½pc '01-04	110⅝	–⅛	10.66	10.50
50⅝	43½	Funding 3½pc '99-04	48xd	.....	7.25	4.11
122⅞	106½	Treasury 12½pc '03-05	117¼	.....	10.74	10.51
87½	77¼	Treasury 8pc '02-06‡‡	84½	.....	9.65	9.89
117⅝	99	Treasury 11¾pc 03-07	114⅝	.....	10.69	10.53
129¼	115	Treas 13½pc '04-08	127¼	+⅛	10.87	10.57
65½	53¼	Treasury 5½pc '08-12‡‡	62⅜	.....	4.09	9.48
87½	71⅞	Treasury 7¾pc '12-15‡‡	83⅜	.....	4.59	9.71
122½	106¼	Exch. 12pc '13-'17	117⅞	.....	10.19	10.10
		Undated				
42	35¼	Consols 4pc	41	.....	10.11	—
37½	31¼	War Loan 3½pc‡‡	35½	.....	9.90	—
47¼	37½	Conv. 3½pc '61 Aft.	44¼	.....	8.04	—
32	28¼	Treasury 3pc '66 Aft.	30¼	.....	10.12	—
25⅞	22¼	Consols 2½pc	24¼xd	.....	10.05	—
25⅞	22⅜	Treasury 2½pc	25	.....	10.21	—
		Index-Linked			(1)	(2)
106	98⅞	Treas. 2pc I.L. '88	104¼	.....	2.78	3.26
111¼	99⅞	Do. 2pc I.L. '96	106	.....	3.20	3.37
103⅞	93¼	Do. 2½pc I.L. 2001	97	.....	3.05	3.19
100	91¼	Do. 2½pc I.L. 2003	96	.....	3.02	3.14
107½	94¼	Do. 2pc I.L. 2006	99¼xd	–⅛	2.94	3.05
104½	91¼	Do. 2½pc I.L. 2009	95½	.....	2.95	3.06
109½	97	Do. 2½pc I.L. 2011	101¼	.....	2.91	3.01
100¼	88¼	Do. 2½pc I.L. 2016	93¼	.....	2.86	2.95
92⅞	91⅛	Do. 2½pc I.L. 2020	91⅛	–⅛	2.82	2.90

Prospective real redemption rate on projected inflation of (1) 10% and (2) 7%

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Building Societies

[illegible]

LOANS—continued

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS, H.P. & LEASING

[illegible]

BANKS—Continued

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING

[illegible]

FOOD, GROCERIES, ETC

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

هكذا من الأصل

INDUSTRIALS—Continued

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
23	9¼	Keep Trust 5p	12	....	†0.15	—	‡	—
210	140	Kelsey Inds.	200	+2	8.0	2.7	5.7	13.8
130	58	Kennedy Smale	80	....	♦	—	—	—
195	110	Kershaw (A.) 5p	130	....	‡15.0	0.6	‡	(39.4)
80	34	Keep-E-Ze Hldgs.	70xd	+2	14.5	0.5	9.2	—
101	52	L. C. P. Hlds.	77	....	3.6	1.5	6.7	(11.9)
32	14	LDH Group	27	....	—	—	—	♦
132	93	L.R.C. Int. 10p.	111	....	†h2.95	2.6	3.8	12.4
37	17	Lamont Hldgs. 10p	37	+1	†1.3	1.8	5.0	14.5
41	26	Lawtex	40	....	—	—	—	♦
480	345	Lep Group 10p	460	....	17.5	0.3	5.5	63.2
49	22	Lilleshall 10p	48	....	d1.0	—	3.0	—
350	24	Lon. & Liv. 10p	25	–5	h2.75	3.1	15.7	2.3
135	97	London & Midl'd	124	....	7.75	1.1	9.2	13.5
50	20	Do. Defd.	45	–1	—	—	—	3.6
*110½	38	Lon. & Nthn. Grp	67½	....	F4.2	2.0	8.9	9.5
40	20	‡Lon. Priv. Health	39	....	—	—	—	9.5
65	46	Longton Inds.	60	–1	1.0	—	2.4	—
144	70	Low & Bonar 50p	136	–2	†5.0	2.8	5.3	(7.7)
90	32½	MCO Group	43½	–½	±1.0	2.2	3.3	19.9
		for MMT Computing see Electricals						
26	16	M.Y. Dart. 10p.	25½	+½	20.25	—	1.4	—
212	134	M'c'rthy Pls. 20p	140	....	7.0	2.7	7.1	6.6
148	128	Macfarlane Gp.	134	+4	†3.52	2.1	3.8	16.4
46	33	Maclellan 20p	39	....	d1.3	1.6	6.3	12.2
63	31	Macpherson (D.)	42	....	4.2	0.6	14.3	(30.8)
56	41	Magnolia Group	53	....	2.3	3.2	6.2	6.2
72	68	Manuel Hldgs. 10p	68	....	—	—	—	72.6
180	65	Man. Ship Can. £1	137	–2	3.5	6.8	3.7	4.1
77	48	Marley	75	....	†2.5	0.5	4.8	(71.8)
47	30½	Marling Ind. 10p	44xd	–½	†1.08	1.7	3.5	(19.8)
34	25	Marshall L'sy. 'A'	31	....	‡1.2	—	‡	—
70	44	Marshall's Univ.	68	....	8—	—	—	130.2
32½	23	Martin-Black	29½	....				

LEISURE—Continued

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
112	85	Assoc. Leisure 5p	100	....	†h4.13	2.1		
128	72	Barr & W.A.T. 'A'	89	....	†5.0	1.9		
100	40	Black & Edgtn.	76	–4	♦	—		
178	118	Boosey & Hawkes	155	....	†2.3	1.5		
61	32	Campari Int. 20p	41	+1	‡d2.73	1.2		
170	160	‡Central TV N-Vtg 50p	170	....	—	—		
40	23	Fairline Boats 10p	37xd	....	1.75	♦		
47½	14½	GRA Group 5p	47½	+4½	—	—		
69	45	Grampian TVA 10p	68	....	†3.6	2.9		
198	136	HTV Non-Vtg.	197	+1	11.0	2.2		
222	118	Horizon	160	+2	†3.6	5.7		
162	91	Intasun 10p	152	+3	4.0	4.5		
60	22	‡Interveson Video 10p	24	....	1.0	♦		
400	258	Juliana's Hldgs 2p	400	....	b4.9	2.4		
185	139	LWT "A"	178	–1	11.08	♦		
*147	47	Leisuretime Int 10p	47	....	g1.54	♦		
132	90	Magnt. Ag. M. 10p	99	+1	6.75	1.6		
77	52	Medminster 10p	77	....	4.4	1.7		
170	110	‡Miss World Grp 10p	150	....	b3.0	2.5		
23	17½	‡Nationwide 5p	19	....	—	—		
128	26	‡Nimslo Int 20c	26	....	—	—		
128	45½	Norton Opax 10p	123	....	t2.17	4.5		
30	22½	‡Owners Abroad	28½	....	0.5	4.5		
47	36	Photax (Lon.)	37	....	—	—		
*147	84	‡Pineapple Dance St 10p	100	....	g1.5	♦		
363	217½	Pleasurama 5p	335	....	t5.75	4.5		
173	109	‡Radio City 'A' NV	158xd	....	♦4p	1.6		
209	138	Riley Leisure 10p	149	+2	†3.95	1.7		
132	83	Saga Hols. 20p	107xd	....	d3.73	—		
515	325	Samuelson Grp £1	325	–10	12.0	♦		
111	94	Scott. TV 'A' 10p	111	....	7.35	2.2		
60	27	‡SelecTV 10p	30	....	—	—		
26	15½	TSW 5p	24	....	1.2	2.2		
79	30	‡TVS N/Vtg 10p	79					

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCES

LEISURE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—continued

Australians

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
28½	13½	♥ACM 20c	18½	–1	—	—	—
52	32	Allstate Explo NL	36	–2	—	—	—
90	9	♥Australis Mng. NL	26	–1	—	—	—
25	11	Balmoral Resources	16		—	—	—
60	34	♥Black Hill Mins.	35	–1	—	—	—
87	51	♥Bond Corp	77	–1	Q10c	♦	3.3
183	116	♥Bougainville 1 Kina	165		mQ3.21	1.2	1.2
374	204	♥CRA 50c	370	–2	tQ3c	—	0.5
145	60	♥Carr Boyd 20c	82	–2	—	—	—
44	25	♥Central Kalgoorlie	38	....	—	—	—
43	18	♥Central Pacific	21	..	—	—	—
9	2¼	♥Con. Gold Mng Areas	3½	..	—	—	—
17	5	♥Coopers Res NL					

Tins

Miscellaneous

NOTES

REGIONAL AND IRISH STOCKS

OPTIONS

3-month Call Rates

"Recent Issues" and "Rights" Page 37

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Grieveson Mgmt—Barrington Funds
59 Gresham Street, EC2P 2DS 01-606 4455

General Dec 14	552.5	587.8		3.11
(Accum Units)	708.7	751.4		3.32
High Yield Dec 15	235.8	250.9xd	-2.3	8.26
(Accum. Units)	411.7	438.0	-1.8	5.76
Gilt Dec 13	112.3	115.8xd	....	10.07
(Accum. Units)	145.0	149.5		10.07
Smaller Co Dec 9	207.9	221.2xd		2.67
(Accum Units)	235.0	250.0		2.67
Pacific Dec 13	705.5	737.5	..	0.64
(Accum. Units)	784.1	819.6	.....	0.64
North Am Dec 9	222.7	235.5xd		0.36
(Accum Units)	251.8	265.3		0.36
European Dec 14	183.5	797.7		1.67
(Accum Units)	214.5	229.0		1.67

Guardian Royal Ex Unit Mgrs Ltd(a)
Royal Exchange, EC3V 3LS 01-638 2020

Gilt & Fixed	115.4	119.9	+0.1	9.41
Growth Eq	103.6	111.5xd	-9.4	2.43
Guardhill	186.8	193.5	-1.8	3.29
Nth American	97.6	105.0	-7.3	1.72
Pacific	113.4	122.0	+7.1	0.28
Prop Shares	110.4	118.8	-0.3	1.95
Small Co's	113.6	122.2	-0.3	1.97

HOL Unit Trust Mngrs Ltd(a)(c)(g)
Premier UT Admin, 5 Rayleigh Rd, Hutton, Brentwood, Essex. 0277 227300

Smllr Co's Tst	55.2	56.6	+0.2	3.2
Nth American	49.2	52.3xd	-0.6	1.19
Japan Far Tst	57.3	61.0	+0.6	0.75
Scandinavian Tst	50.9	54.1		1.72

Henderson Administration (a) (b) (c)
Premier UT Admin, 5 Rayleigh Rd, Hutton, Brntwd, Essex 0277 217238

UK Funds

Special Sits	76.6	82.4	+0.2	1.54
(Accum Units)	104.1	711.9	-0.2	1.54
Recovery	57.2	61.8	-0.3	3.24
Cap Growth	143.1	152.8	-0.8	1.68
(Accum Units)	158.1	170.0	-0.9	1.68
Inc & Assets	54.8	58.9	+0.2	5.60

High Income Funds

Inc & Growth	75.7	79.9xd	+0.2	4.32
(Accum Units)	134.3	142.9xd	-0.4	4.32
High Income	97.1	104.4	-0.1	5.03
Extra Income	88.3	94.9xd	+0.2	6.74
Smaller Co's Div	60.5	65.0xd	+0.1	6.82
Pref & Gilt	45.8	48.7xd	-0.2	11.57
Gilt Trust	46.8	49.3	-0.2	9.27

Leonine Administration Ltd.
20 Copthall Ave, EC2R 7JS. 01-600 7595

Leo Distribution	252.7	268.1		0.01
Leo Accum	301.1	319.3		0.01

Lloyds Bk. Unit Tst. Mngrs. Ltd. (a)
Registrar's Dept., Goring-by-Sea, Worthing, W Sx. 0903 502541. Dealing 0444 459144

Balanced	110.0	118.2	+0.3	3.69
Do (Accum)	183.6	197.4	+0.6	3.69
Energy Int	50.1	53.8	-0.3	2.02
Do (Accum)	52.8	56.7	+0.3	2.02
Extra Income	87.4	93.9xd	+0.2	6.62
Do (Accum)	140.2	150.7	+0.3	6.62
Income	141.1	151.7	-0.4	5.12
Do. (Accum.)	254.0	273.1	+0.7	5.12
Int. Technology	151.7	163.1xd	-0.2	0.38
Do. (Accum)	156.3	168.0	-0.2	0.38
N. American & Gen	82.7	88.9	-1.8	0.76
Do (Accum)	86.3	92.7	-0.8	0.76
Pacific Basin	78.4	84.2	+0.9	0.35
Do (Accum)	80.5	86.4	+0.9	0.35
Small Cos. & Recy.	102.2	109.8	+0.3	1.46
Do (Accum.)	110.5	118.8	+0.3	1.46
Worldwide Gwth.	139.5	150.1xd	+0.1	0.89
Do. (Accum)	191.9	206.3	-0.2	0.89

Lloyd's Life Unit Tst. Mngrs. Ltd.
2, St Mary Axe, EC3A 8BP. 01-920 0317

Equity Accum	77.7	83.6xd	+0.1	2.86
Equity Dist.	57.7	62.1xd	+0.1	2.86
Gilt Trust	—	50.0		5.00
High Income Acc.	51.8	55.7xd	-0.5	7.69
High Income Dist.	50.3	54.1xd	-1.4	7.69
U S. Growth Acc	45.0	47.9	-0.3	1.54
US Growth Dist.	44.0	47.7	+0.3	1.54

Local Authorities' Mutual Invest. Tst.*
77, London Wall, EC2N 1DB. 01-588 1815

Property Fd Nov 30	163.70		6.12
Wider Fd Nov 30	477.25		4.04
Narrower Fd Nov 30	92.40		10.47

*Unauthorised. Available only to Local Authorities.

London & Manchester (Tst Mgmt) Ltd
72-80 Gatehouse Rd, Aylesbury 0296 5941

General Tst.	24.4	26.41	4.32

M & G Group (y)(c)(z)
Three Quays, Tower Hill, EC3R 6BQ. 01-626 4588

American	138.0	147.7	-7.2	1.26
(Accum Units)	[illegible]	164.9	-1.5	1.26

Insurances—continued

Commercial Union Group
St Helens, 1 Undershaft, EC3 01-283 7500

VarAnUtsDc10	—	149.52	..	—
VarAnUtsDc16	—	33.28	....	—
Prima Series				
Managed	127.5	134.3	+0.4	—
Uk Equity	129.2	136.1	+9.4	—
Int Equity	127.9	134.7	+0.0	—

Gilt Deposit. Index Fund prices available on request.

Crown Life
Crown Life House, Woking GU21 1XW. 046862-5033

PenMnyAcc	128.3	132.9	....	—
PenMnyInt	115.5	121.3	....	—
PeCorntFd	178.6	187.9	....	—
BrewinEoFo	248.1	261.1	....	—

London Life Linked Assurance Ltd
100 Temple St, Bristol BS1 6EA.

Equity	228.3	233.0	
Fixed Int	187.7	168.5	
Property	167.2	172.2	
Deposit	143.3	143.3	
Mixed	193.5	197.6	
Index Stk	108.9	108.4	
International	117.4	119.7	

London Life Managed Funds Ltd.

Equity(P)	182.9	168.6
Fixed Int(P)	174.2	175.5
Property(3)	123.8	127.9
Deposits(P)	123.6	723.6
Mixed(P)	154.5	158.2
Index Stk	119.2	116.9
Int Equity	114.3	116.5

Moneywise Friendly Society
80 Holdenhurst Rd, Bournemouth.

Mnywise Int	48.5	52.7

Municipal Life Assurance Ltd
99 Sandling Rd, Maidstone.

Equity Fd	99.9	105.9
Managed Fd	105.9	112.0

Premium Life Assurance Co Ltd
Eastchester House, Haywards Heath

Nat Res'ces	184.9	119.0
Property	149.9	148.9
UK Equity	140.0	148.0
Intl Equity	126.9	133.0
Jarrets Fd	03.9	98.0

Prudential Pensions Ltd
Holborn Bars, EC1 2NH
Pre-Link Retirement Plan

Managed Fd	149.6	155.9
Cash Fund	114.0	119.7

St George Assurance Co Ltd
The Priory, Hitchin, Herts.

Managed Fd	195.2	110.0
Universal Fd	193.2	198.7

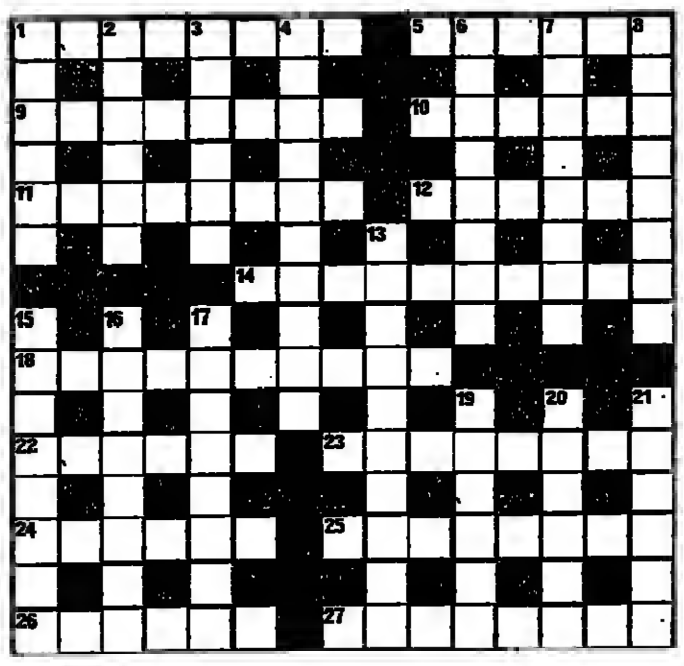
Offshore & Overseas—continued

Money Market Trust Funds

Money Market Bank Accounts

INSURANCES

F.T. CROSSWORD PUZZLE No. 5,295



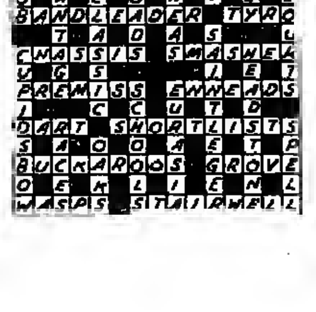
ACROSS

1 Island terminus marked by halo (8)
5 Binary computing unit worth only 25 cents (3-3)
9 Get a rule, perhaps—and apply it? (8)
10 Angora for doctor at musical (6)
11 Whale, for example, making sound of Citizens' Band on street (3-5)
12 Scots, not at home, know open eyes (6)
14 Coward gets weapons in Shropshire (6,4)
18 Back before the rain? (4,3,3)
22 Given a job second or third? (6)
23 Soon enough at entering—that's more than a bit thick (8)
24 Deserter of lady, preferably (6)
25 Caught cold, including real trouble (8)
26 New song heard in the altogether (6)
27 Sort of hitch-hiker to Western Australia in dominion (8)

DOWN

1 Unorthodox way to introduce Youth Leader (6)
2 Record to preserve, causing a standstill (3-3)
3 Writer of Catch 22 or of the Inferno? (6)
4 Sat out, possibly, with actors learning the Italian way (10)
6 Make love grow less, almost, in the orchestra (8)
7 Magic pictures banned by union (5,3)
8 Acidity sent up among sailors (8)
13 End of transmission from a Devon tour 4, 3, 3)
15 Gooseberry for tea with Argentinian (8)
16 Stuck in gum? Devil had a part in it (8)
17 Father finds me in a hole on the roadside (8)
19 Sick in front of ship due to wave (6)
20 Lawyers' quarrel that has lasted for centuries? (6)
21 After the first of December, delay could be a sin (6)

Solution to Puzzle No. 5,294



INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man Fd.		240.45		
Managed Inv. Fd.	162.44	170.99	...	—
Property Fd	151.83	159.83	...	—
Fixed Interest Fd.	148.31	156.12	...	—
Cash Fd.	136.98	144.19	...	—
Income Fd.	178.18	187.54	...	—
Extra Income Fd.	165.72	174.45	...	—
Worldwide Growth Fd.	228.64	240.68	...	—
Balanced Fd.	179.70	189.16	...	—
Smlr Co's & Recv. Fd	205.34	216.15	...	—
Int. Technology Fd.	267.10	281.46	...	—
Nth. Amer. & Gen. Fd.	165.50	174.22	...	—
Energy Int. Fd.	103.27	108.71	...	—
Pacific Basin Fund	142.93	150.46	...	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Managed	114.4	120.4	...	—
Property	118.0	124.2	...	—
Equity	117.9	124.1	...	—
International	126.5	133.2	...	—
Fixed Interest	103.3	108.7	...	—
Deposit	100.0	105.2	...	—
Managed Pen. Cap.	114.8	120.8	...	—
Property Pens. Cap.	119.4	125.5	...	—
Equity Pens. Cap.	112.8	118.8	...	—
Intnl. Pens. Cap.	130.4	137.3	...	—
Fixed Int. Pens. Cap.	100.6	105.9	...	—
Deposit Pens. Cap.	97.6	102.7	...	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth Nov 30		97.1	...	—
Rtmt. Fed. Nov 6		256.4	...	—
Managed Pen Fund	186.7	196.5	...	—
Property Pen Fund	115.1	121.2	...	—
Index Lnkd Pen Fund	111.8	117.7	...	—
Managed	123.5	130.0	...	—
Property	104.5	110.1	+0.1	—
Gilt and Fixed Interest	107.4	113.1	+0.3	—
Index-Linked	96.0	101.2	...	—
Equity	122.7	129.2	-0.1	—
Cash	104.6	110.2	...	—
Midland Bk. Unit Tst.	121.0	127.4	...	—

G.T. Management Ltd.
16 Finsbury Circus, Lond EC2M 7DJ 01-628 8131

G.T. Plan Bond Fund	126.2	132.9	+0.2	—
GT Pln High Yld Fnd.	125.7	132.4	...	—
GT Plan Far East Fnd	120.9	127.3	...	—
GT Plan N Am Fd.	140.9	148.4	...	—
GT Pln UK&G.E. Fnd	139.9	147.3	...	—
GT Pln Wrldwde Fnd.	140.1	147.5	...	—
GT Pension Bnd Fnd.	136.8	144.0	+0.3	—
GT Pen High Yld Fd.	143.4	151.0	...	—
GT Pen Far East Fd.	148.2	156.0	...	—
GT Pen N. Am. Fd.	206.7	217.6	...	—
GT Pen UK&G.E. Fd.	162.8	171.4	...	—
GT Pen Worldwide Fd.	149.7	157.6	...	—

Prices for Accum. Units only.

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 00-488 0733

Intl. Managed Bond	166.9	175.7	...	—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.		256.0	...	—
Portfolio Fd. Init.		210.4	...	—

See adjacent page Mon-Fri and Stock Exchange Dealings page Sat.

Gresham Unit Ass. Ltd.
2-6, Prince of Wales Rd. B'mouth. 0202 767655

Managed Fd.	278.2	293.2	...	—
Money Fd	156.4	164.6	...	—
Equity Fd.	235.1	247.7	-2.2	—
Fixed Int. Fd.	118.7	125.1	-1.1	—
Property Fd	173.0	182.3	...	—
Managed Pen. Fd.	256.3	270.1	...	—
Equity Pension Fd.	186.0	196.0	...	—
Fixed Int. Pen. Fd.	166.2	175.1	...	—
High Yield Pen. Fd.	163.8	172.6	...	—
Money Pension Fd.	129.2	136.0	...	—
Property Pension Fd.	128.2	135.1	...	—
American & Gen. Fd.	257.0	270.8	+1.1	—
Income Fd.	189.4	199.6	-0.5	—
Int'l. Growth Fd.	275.2	290.0	...	—
Capital Fund	200.7	211.5	...	—

[illegible]

OFFSHORE AND OVERSEAS

[illegible]

NOTES

[illegible]

COMMODITIES AND AGRICULTURE

Brazil acts to strengthen coffee marketing position

BY ANDREW WHITLEY IN RIO DE JANEIRO

THE BRAZILIAN Coffee Institute has announced a number of steps aimed at strengthening its market position abroad, especially in the U.S., and at providin gadditional incentives for the country's coffee growers.

At the end of the International Coffee Meeting here on Wednesday, Sr Octavio Rainho, president of the institute, announced an increase of U.S. 3 cents a pound in the export prices of all grades of Brazilian coffee.

While following the upward trend in world prices, the increase maintains Brazilian competitiveness. Best quality coffee, shipped from Santos, will in future cost $1.33 a pound.

A series of relatively minor technical changes have been made to contract terms.

Up to the end of June, the close of the marketing year for Brazilian coffee, roasters will be able to receive an additional rebate of up to 4 cents a pound.

Market observers said this was designed to compensate for fears over the possible poorer quality of Brazilian coffee this year.

Outlining the targets for 1984, Sr Rainho said Brazil hoped to earn $2.4bn, substantially above this year's anticipated foreign earnings, from exports of 18m bags, the highest level for 10 years.

New contract registrations for shipments of green coffee in January and February and of soluble coffee for the first quarter were opened yesterday. Quotas available were as expected: 1.2m bags in January and 300,000 for February of green coffee, as well as 500,000 bags of soluble over the three months.

Coffee growers in Brazil will benefit to the extent of nearly $4 a bag from the decision to maintain the export tax at its present level of $99.50 a bag.

The domestic guaranteed price has been raised by the institute to cruzeiros 70,000 a bag ($71 at the likely end year exchange rate) as from January, and Sr Rainho promised growers a further increase in April.

He urged Brazilian coffee growers not to sell their beans in a hurry, as he said the returns could be better later in the year.

● The U.S. Agriculture Department has trimmed its estimate of world coffee production for the 1983-84 season to 91.7m bags (60 kg each) from 93.6m forecast earlier, Reuter reports from Washington. But the figure is stil 9.3m bags above the 1982-83 crop.

Increased production in Brazil—to 30m bags—more than offset declines in many other coffee producing countries the department said.

In the London futures market yesterday coffee values turned downwards with the March quotation ending £23.50 lower at £1,997 a tonne.

Sugar output in Europe forecast to fall

F. O. LICHT, West German sugar analyst, forecasts a decline in European sugar beet production for 1983-84 at 29,474,000 tonnes against 32,482,000 tonnes for 1982-83.

Western Europe output is predicted to fall to 16,476,000 tonnes against 19,848,000 for 1982-83. But Eastern Europe production is put slightly up at 12,998,000 toones.

EEC output is forecast sharply lower at 11,717,000 tonnes in 1983-84 against 14,813,000 in the previous crop year.

● AUSTRALIAN Wool Corporation had to buy over 53 per cent of the offering at the Brisbane auction to keep prices above the floor level, and was a major buyer at the Adelaide, Freemantle and Launceston wool sales. Prices were also under pressure at the Napier wool auction in New Zealand, but were 2 per cent higher at the Port Elizabeth sale in South Africa.

● U.S. geologists have discovered undersea deposits of cobalt between the Hawaiian Islands and Samoa at a concentration of 2.5 per cent, twice the level found in the past. Nickel and manganese deposits were also discovered at concentrations of 0.8 per cent and 32 per cent respectively.

● INDIA'S Minerals and Metals Trading Corporation has agreed to sell Japan a total of 34.8m tonnes of iron ore over a ten-year period beginning on April 1.

● TOKYO Rubber Exchange has decided to start an associate member system to encourage foreign participation on the exchange.

● BRAZIL: Scattered rains over the last few days have been insufficient for all soyabean planting to resume in the state of Rio Grande do Sul, trades sources said.

EEC fisheries pact gets mixed reaction

BY OUR COMMODITIES STAFF

BRITISH fishermen do not share the euphoria expressed by Mr Michael Jopling, UK Agriculture Minister, after Wednesday night's settlement of the long-running EEC fisheries debate.

Mr Jopling said: "This is an extremely good deal for the UK fishing industry." But Mr Jim Leadley, chairman of the National Federation of Fishermen's Organisations, yesterday described the settlement as "mixed."

The share-out of herring catches was "reasonably satisfactory," Mr Leadley said, but he was seriously concerned about cuts in cod and haddock quotas.

For cod, he said, the UK 1984 catch would be reduced to 94,000 tonnes from 115,000 in 1983, and total returns from cod and haddock would be cut by £15m to £16m (assuming 1983 prices). This was "too big a drop to be absorbed in one year."

The historic herring deal, paving the way to a comprehensive 20-year Common Fisheries Policy, was only reached after prolonged resistance from Belgian officials had been subdued by other ministers at Wednesday's 12-hour-long talks.

Under the share-out Belgium's insistence on minimum catches is satisfied by straight tonnage allocations, after which the remaining herring will be divided up on a percentage basis.

The determination of the Belgians to win this concession did, however, force other member states to reach deals on a series of other outstanding issues, conditional on a herring settlement, in order to bring more pressure to bear.

Consequently a number of highly contentious issues which observers feared could on their own scuttle the talks were settled with remarkable speed. These included:

● Acceptance of 1983 Total Allowable Catches for the remaining seven main species as a basis for a one-month rollover prior to new talks on January 31. A battle is expected over the 1984 figures, which include reductions of as much as 9 per cent for some key species such as cod.

● *Mackeral quotas*, a long-standing source of contention for Irish fishermen, particularly off the west of Scotland, are to be maintained at the 1982 level of 375,000 tonnes for the time being.

● Member States' access to west Greenland cod, long contested by the Greenlanders, has been settled following a German concession to reduce total catches from 75,000 tonnes to 68,500. Of this Denmark will take 56,630 tonnes, West Germany 9,130 tonnes and the UK 2,740 tonnes.

● The ministers also approved a four-year agreement with Canada allowing EEC States 16,000 tonnes of Canadian cod and 7,000 tonnes of squid in return for allowing Canadian frozen cod sales rising from 19,000 tonnes to 24,000 tonnes in 1987. Of this, 53 per cent will be taken by the UK market.

● Board acceptance has also been granted to the Norwegians on the terms of a joint fishing agreement. Although this will have to undergo renegotiation to cover the roll-over period, and also the final outcome of the 1984 quota talks, the Commission is confident that a deal can be reached.

The ministers also agreed to a British demand that immediate action should be taken to introduce the new herring agreement with a rapid assessment of the level of TAC.

Provisional Commission assessments suggests that this should be at around 185,000 tonnes, though this may be revised upwards when scientific data is released in May.

At this level, catches for the Netherlands would be 40,820 tonnes, the UK at 35,718 tonnes and Denmark at 31,281 tonnes.

DIVISION OF NORTH SEA HERRING CATCHES BETWEEN EEC MEMBER STATES

	West Germany	France	Netherlands	Belgium*	UK	Denmark
At a Total Allowable Catch of 155,000 tonnes	13.3%	13.8%	27.4%	7,100 tonnes	24.15%	21.15%
At at Total Allowable Catch of 251,000 tonnes	15.0%	12%	27%	6,000 tonnes +1%	23%	22%
Quantities above 251,000 tonnes divided on basis of—	17.5%	8.5%	20.5%	1%	17.5%	35%

* Belgian tonnages will be allocated first, thereafter allowing distribution of the remainder on a percentage basis. Between 155,000 tonnes and 251,000 tonnes division will be apportioned on the basis of a straight line graph between the two levels.

Platinum use 'will rise'

WIDER USE of emission controls in cars should result in a significant growth in demand for platinum, palladium and rhodium in the next few years, according to Mr Peter Emmel, Johnson Matthey European manager/autocatalysts.

Mr Emmel told a Metal Bulletin seminar on platinum in New York that catalysts will probably be used on all European cars by the end of this decade. Consumption of platinum group metals by the European automative industry would rise to 13,500 kilos annually by 1990, he forecast.

An even more optimistic outlook for the platinum group metals was put forward by Mr Paul Sarnoff, corporate vice-president of Paine Webber, Jackson and Curtis.

Mr Sarnoff forecast that world demand for platinum and palladium would more than double between 1984 and the end of the decade. He predicted world suply of platinum would fall short of demand by over 3m ounces in 1990 and palladium by 4m ounces.

Mr Nelson Colton, chairman of Engelhard Industries Division, said platinum reclaimed from automobile catalysts would rise as U.S. cars fitted with converters in 1975-78 neared the end of their lives.

London metals under pressure

STRONGER sterling, and a sudden drop in silver during late trading, put London metal prices under renewed pressure yesterday. In early trading on the New York Commodity Exchange (Comex) there were heavy losses in silver, copper and aluminium which hit late dealings on the London market.

Three months higher grade copper closed £9.75 down on the previous day at £1,010.5 a tonne and fell to £1,004 in after-hours trading.

In the U.S. Asarco and Copper Range cut their domestic selling price again by 1 cent to 67 cents a lb, while other producers were still moving down to 68 cents.

Cocoa values fall sharply after hitting five-year highs

BY OUR COMMODITIES STAFF

COCOA VALUES on the London futures market suffered a sharp downward reaction yesterday afternoon but not before nearby positions had been pushed to new five-year highs. The March quotation reached £1,863 a tonne at one stage before ending the day £26 up at £1,836.50 a tonne.

The early rise was encouraged by new West African output forecasts from the U.S. Agriculture Department which supported recent assumptions that current season crops would fall short of demand but the higher prices attracted producer selling and the ensuing fall was accelerated by speculator profit-taking.

From Washington Reuter reported that the Agriculture Department had revised cocoa bean production estimates for four West African countries from its October forecasts.

The Cameroons' crop for 1983-84 is now forecast at 100,000 tonnes, down from 117,000 forecast in October. Ghana's output is put at 145,000 tonnes (down from 160,000); the Ivory Coast's at 390,000 tonnes *(400,000)*; and Nigeria's at 155,000 tonnes (170,000).

In its weekly round-up of world production and trade, the department said that in the Ivory Coast the main crop had been seriously affected by lack of rainfall, but widespread rains had fallen in most of the cocoa area this month.

Crop quality was of great concern because of the small and overripe beans, it added. This year's harvest was later than normal and many producers, in an effort to cut harvest costs, were limiting the number of pickings.

The department said cross-border movement from Ghana to the Ivory Coast this season could reach 40,000 tonnes.

PRICE CHANGES

In tonnes unless stated otherwise	Dec. 16 1983	+ or —	Month ago
Metals			
Aluminium	£1050		£1050
Free Mkt	$1580/1619		$1510/540
Copper			
Cash h grade	£984.5	—9	£923
3 mths	£1010.5	—9.75	£946.25
Cash Cathode	£966.5	—19.5	£906
3 mths	£993.2	—6.5	£930
Gold troy oz	$389.125	+0.75	$374.875
Lead Cash	£270.30	—4.5	£276.75
3 mths	£288.20	—4.575	£284.72
Nickel	£4646.54		£4646.54
Free Mkt	900/996c		208/228c
Palladium oz	$163.00	—0.50	$145.25
Platinum oz	£278.05	+0.50	£258.10
Quicksilver†	$306/316		$310/316
Silver troy oz	652.85p	—7.60	579.50p
3 mths	667.40p	—7.90	599.20p
Tin cash	£8700	—50	£8620
3 month	£8856.5	—31	£8750.5
Tungsten	376.06		678.25
Wolfr'm 22.04 lb	$68/72		$69/73
Zinc Cash	£586.0	—4.75	£591.5
3 mths	£601.25	—4.875	£606.25
Producers	$950		$950

	Dec. 15 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$1020		$900
Groundnut	‡		‡
Linseed Crude	‡		‡
Palm Malayan	$705v		$660
Seeds			
Copra Phil	$660x		$878
Soyabean (U.S.)	$310	+1	$326.75
Grains			
Barley Fut. Mar	£123.45	—0.25	£119.30
Maize	£146.50		£146.00
Wheat Fut. Mar	£123.55	+0.15	£120.20
No 2 Hard Wint	‡		‡
Other commodities			
Cocoa ship't*	£1913	+38	£1590
Fut. March	£1848	+31.5	£1536.5
Coffee Ft. Mar	£1997.5	-23.5	£1211
Cotton A.Index	89.60c	+0.20	89.95c
Gas Oil . Jan	$241.25	—2.00	$243.75
Rubber (kilo)	84.00p	—2.00	80.0p
Sugar (Raw)	£130x	—5.0	£129
Wool't'ps 64s	421p kilo	+3	401p kilo

‡ Unquoted. v Jan. x Dec-Jan. † Per 75 lb flask. * Ghana cocoa. n Nominal. c Cents per pound.

LONDON OIL

Gas Oil—During the early part of the day prices continued their listless drifting around unchanged, but heavy selling towards the break pushed the market quickly through the support levels. Prices continued to move down in the afternoon, meeting some support at contract lows, but finally closing below the support levels after failing to do so several times in the last week or two.

Crude Oil—Prices also weakened during the day in very thin trading with activity concentrated in gas oil, reports Premier Man.

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Dec	239.75	—3.00	242.50-238.5
Jan	241.20	—2.00	243.50-240.5
Feb	239.00	—1.75	241.75-238.5
Mar	902.50	—1.50	237.00-235.0
April	232.50	—1.00	234.00-232.5
May	231.08	—	232.25-230.7
June	231.75	—0.75	232.50-231.7
July	231.25	—0.75	231.25-231.2
Aug	231.00	—1.75	—

Turnover: 2,982 (1,213) lots of 100 tonnes.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	22.16-22.35	—0.02
Iranian Light	27.86 27.95	—
Arab Heavy	26.16-26.35	—0.05
North Sea (Forties)	28.65-28.75	—0.05
North Sea (Brent)	28.60-28.75	—0.08
African (Bonny Li'ht)	22.80-62.00	—0.02
PRODUCTS—North west Europe CIF ($ per tonne)		
Premium gasoline	270-272	—0.6
Gas oil	244-252	—
Heavy fuel oil	168-173	+0.6

CRUDE OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per brl		
Feb	28.50	—0.12	—
Mar	28.08	—0.18	28.28-28.07
Apr.	28.05	—0.18	28.25-28.05
May	28.00	—0.11	28.22-28.00
June	28.02	—0.15	—

Turnover: 87 (38) lots of 1,000 barrels.

GOLD MARKETS

Gold rose $½ to $388¾-389¼ on the London bullion market yesterday. It opened at $388-388¾, and was fixed at $388.60 in the morning, and $388.75 in the afternoon. The metal touched a peak of $389¾-390, and a low of $388-388¾ at the opening.

In Paris the 12½ kilo gold bar was fixed at FFr 105,500 per kilo ($389.02 per ounce) in the afternoon, compared with FFr 105,750 ($390.05) in the morning, and FFr 106,250 ($389.93) Wednesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 34,595 per kilo ($389.99 per ounce) against DM 34,800 ($391.01), and closed at $388½-389—compared with $388¾-389¼.

In Luxembourg the 12½ kilo bar was fixed at the equivalent of $388.50 per ounce, against $389.80.

In Zurich gold finished unchanged at $388¾-389¼.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
Dec	388.00-92.00	—0.50	389.60
Feb	394.00-94.20	+0.15	394.50-92.00
April	399.50-01.00	+0.20	400.50
June	406.50-07.50	—0.75	—
Aug	419.00-10.80	—0.75	—
Oct	412.00-21.00	—1.75	—

Turnover: 260 (372) lots of 100 troy ounces.

	Dec. 16		Dec. 14	
Gold Bullion (fine ounce)				
Close	$388¾-389½	(£273½-274)	$388-388¼	(£273¾-274¼)
Opening	$388-388¾	(£273½-274)	$390¼-391	(£275¼-275¾)
Morning fixing	$388.60	(£273.856)	$390	(£275.268)
Afternoon fixing	$388.75	(£273.671)	$389	(£273.647)

Gold and Platinum Coins Dec. 16

Krugrnd	$394-394½	(£276¾-277)	King Sov	$92-93½	(£64¾-65¾)
½ Krg	$205-604	(£142½-143¼)	Victoria Sov	$96-65½	(£64¾-65¾)
¼ Krg	$103¼-104¼	(£72½-73¼)	French 20s	$77¼-80¼	(£54½-56¼)
1/10 Krug	$42-43	(£29½-30¼)	50 pesos Mex	$472-474	(£351½-332¾)
Mapleleaf	$393¾-394¼	(£276½-276¾)	100 Cor. Aust	$372-382	(£266½-286¼)
New Sov	$90¾-91¼	(£63¾-64)	$20 Eagles	$505-546	(£376¾-382¾)
½ New Sov	$64-66	(£38-30¼)	Noble (Plat)	$410½-410	(£288¾-222)

EUROPEAN MARKETS

ROTTERDAM, December 15.

Wheat—(U.S. $ per tonne). U.S. No. 2 Red Winter: Jan 158, Feb 159, March 160, April 121. U.S. No. 2 Northern Spring, 14 per cent protein: Dec 163, Jan 191, Feb 190, March 191, April/May 177, June 177. U.S. No. 3 Amber Durum: Jan 208, Feb 210, March 212, April/May 197, June 198, July 199. Canadian Western Spring: Dec 206, April/May 212, June 213.

Maize—(U.S. $ per tonne). U.S. No. 3 Yellow: Afloat cif Ghent 164, Dec [illegible]

Soyabeans—(U.S. $ per tonne). U.S. No. 2 Yellow, Gulfports: Dec 304, Jan 306, Feb 310, March 314, April 316.50, Aug 317, Sept 297, Oct 288.90, Nov 268.50, Dec 272.25, Jan 277, sellers.

Soyameal—(U.S. $ per tonne). 44 per cent: Afloat 247, Dec 247.50, Jan 250, Feb/March 255.50, April/Sept 252, Nov/March 224, sellers. Pellets, Brazil: Dec 273, Jan 280, Feb 281, March 271, April 264, April/Sept 256, May/Oct 254.50, Oct/Dec 244, sellers. Pellets, [illegible]

BRITISH COMMODITY PRICES

BASE METALS

BASE-METAL PRICES lost further ground on the London Metal Exchange, depressed by a sharp downturn in silver and gold prices in late trading and a firmer trend in sterling against the U.S. dollar. The marked weakness in precious metals saw forward COPPER fall from a mid-afternoon level of £1,011 to £1,002.5 on the late Kerb. Other metals were similarly affected. LEAD easing back to £283.5, ALUMINIUM to £1,097 and NICKEL to £3,342. ZINC was sustained by trade support and closed at £602.5, while currency considerations and buffer stock support buying lifted TIN to £8,860 prior to a closing level of £8,847.5.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	978.5-6	—16.5	984-0	—9
3 months	1004.5-5.5	—16.2	1010-11	—9.75
Settlem't	979	—16.5	—	—
Cathodes				
Cash	961-2	—16	966-7	—10.5
3 months	987-8	—18.5	993-4	—9.5
Settlem't	962	—18	—	
U.S. prod	—	—	*87-72	

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £979, three months £1,007, 06.50, 06, 05.50, 05, 04, 03, 02, 03, 02.50, 03, 04, 04.50, 05. Cathodes: Three months £988. Kerb: Higher Grade: Three months £1,006, 06.50. Afternoon: Higher Grade: Three months £1,010, 10.5, 10, 11, 11.5, 11, 10.5. Kerb: Higher Grade: Three months £1,009, 08, 07, 08, 05, 03, 04, 05, 05.5, 05, 03.5. Turnover: 21,675 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grde	£	£	£	£
Cash	8750-5	—20	8760-70	—19
3 months	8875-80	—17.5	8870-5	—32.5
Settlem't	2766	—20	—	
Standard				
Cash	8695-700	—25	8695-705	—30
3 months	8855-6	—30	8805-2	—31
Settlem't	8700	—23	—	
Straits E.	$29.20		—	
New York				

Tin — Morning: Standard: Three months £8,860, 58, 57. High Grade: Three months £8,886, 80, 75. Kerb: Standard: Three months £8,850, 55, 50, 45, 50. [illegible]

LEAD

[illegible]

ZINC

[illegible]

ALUMINIUM

[illegible]

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	3264.5	—57	3270-80	—15
3 months	3341.5	—44.5	3355-60	—14

* Cents per pound. ‡ M$ per kilo.

Nickel—Morning: Cash £3,260, three months £3,355, 50, 48, 45, 50, 45, 48, 47, 45, 40. Kerb: Three months £3,345. Afternoon: Three months £3,355, 60, 62, 50, 52. Kerb: Three months £3,350, 55. Turnover: 582 tonnes.

SILVER

Silver was fixed 7.6p an ounce lower for spot delivery in the London bullion market yesterday at 652.85p. U.S. equivalents of the fixing levels were: spot $9.28, down 5.25c; three-month $9.51, down 5.6c; six-month $9.764, down 5.6c; and 12-month $10.281, down 5.7c. The metal opened at 652-655p ($9.25-9.29) and closed at 655½-658½ ($9.32-9.36).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	652.85p	—7.60	651.75p	—2.75
3 months	667.40p	—7.90	667.50p	—2.00
6 months	680.80p	—8.05	—	
12 months	716.80p	—8.05	—	

LME—Silver (2,000 oz contract)—Three months 667.5p (669p). Turnover 1 (1).

Turnover: 110 (151) lots of 10,000 oz. Morning: Large cash £668, 68.2. Kerb: Large: Three months £668. Afternoon: Large: Three months £669.5, 69, 67.5. Kerb: Large: Three months £666, 62, 56, 51, 55, 56, 54, 53, 50; Small: Three months 652.

COCOA

Futures opened limit up reflecting a strong base in New York last night. After the mandatory 15 minute close prices reached the highs of the day on strong speculative buying. A mixture of profit taking and nervousness pared earlier gains as the market ended an active day about. Origins were mainly inactive, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Dec	1846-50	+31.5	1870-45
March	1836-37	+26.0	1863-27
May	1829-23	+21.0	1849-14
July	1806-13	+20.5	1835-05
Sept	1792-93	+26.0	1816-90
Dec	1758-61	+67.0	1780-60
March	[illegible]	[illegible]	[illegible]

[illegible]

COFFEE

[illegible]

GRAINS

[illegible]

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1, 14 per cent: Jan-Feb 145, March 144.75, transhipment East Coast. English Feed fob Jan-March 127.50, East Coast. Maize: French: 2nd-half Dec 146.50, Jan 147.50, transhipment East Coast. Barley: English Feed, fob: Jan-March 127.50, East Coast.

Business done—Wheat: Jan 121.00-0.75, March 123.70-3.50, May 126.70-6.50, July 129.50-9.45, Sept 113.25-3.20, Nov 116.00 only. Sales: 111 lots of 100 tonnes. Barley: Jan 121.50-1.00, March 123.45 only, May 125.45-5.30, Sept 111.10 only, Nov 114.00 only. Sales: 49 lots of 100 tonnes.

POTATOES

Higher Dutch prices and extensive short covering on London moved prices higher, before easing slightly at the close, reports Coley and Harper.

Month	Yesterday's close	Previous close	Business Done
	£ per tonne		
Feb	159.00	168.50	158.50
April	196.00	193.60	188.40-185.2
May	194.00	191.00	194.00-192.0
Nov	78.00	78.00	—
Feb	79.00	25.00	88.00

Sales: 827 (1,186) lots of 40 tonnes.

RUBBER

The London physical market opened about unchanged, drifted lower on an easier note, reported Lewis and Peat. The Kuala Lumpur December fob price for RSS No. 1 was 265 (266) cents a kg and SMR 20 223 (223.5).

No. 1 R.S.S.	Yesterday's close	Previous close	Business Done
	£ per tonne		
Jan	840-850	865-866	840
Feb	845-850	860-870	—
Jan Mch	850-851	862-864	856-851
Apl-Jne	862-865	873-874	870-862
Jly-Sept	879-873	883-884	880-875
Oct-Dec	882-884	893-895	887
Jan Mch	892-894	903-904	—
Apl-Jne	902-905	914-216	911-
Jly-Sept	912-915	995-926	—

Sales: 161 (810) lots of 15 tonnes. 1 (8) lots of 5 tonnes.

Physical closing prices (buyers) were spot 84.00p (86.00p); Jan 85.00p (85.50p); Feb 85.25p (85.75p).

SOYABEAN MEAL

The market opened unchanged in quiet conditions, reports T. G. Roddick. The market remained dull throughout [illegible]

SUGAR

[illegible]

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Dec 540.0, 545.0, 540.0; March 557.0, 560.0, 560.0-557.0; May 572.0, 572.0, 573.5-570.0; July 582.0, 582.0, 583.0-579.0; Oct 572.0, 580.0, 574.5-571.0; Dec 582.0, 585.0, 582.0-580.0; March 590.0, 594.0, 594.0-592.0; May 602.0, 602.0, 602.0. Sales: 62.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Dec 405, 420, 411; Jan 402, 405, 405; March 415, 417, 417-413; May 422, 425, 426-426; Aug 438, 440, 440-438; Oct 439, 442, 440; Dec 441, 445, 448; Jan 441, 445, 450; March 452, 456, 463-458; May 58, 466, 470-466. Sales: 79.

INDICES

FINANCIAL TIMES

Dec. 14	Dec. 13	M'th ago	Y'ar ago
265.15	223.90	266.44	236.52

(Base: July 1 1952=100)

REUTERS

Dec. 16	Dec. 14	M'th ago	Y'ar ago
1960.4	1961.3	1888.6	1569.2

(Base: September 18 1931=100)

MOODY'S

Dec. 14	Dec. 13	M'th ago	Year ago
1047.6	1046.4	1008.2	989.6

(December 31 1931=100)

DOW JONES

Dow Jones	Dec. 14	Dec. 13	Month ago	Year ago
Spot	132.60	132.40	134.43	132.82
Fut's	143.27	144.30	140.79	167.20

(Base: December 31 1974=100)

MEAT/FISH

MEAT COMMISSION—Average fatstock prices at representative markets. GB Cattle 101.08p per kg lw (+1.89). GB Sheep 154.26p per kg est dcw (—1.39). GB Pigs 79.56p per kg lw (—0.42).

SUGAR—(FFr per 100 kg): March 1925-1934, May 1990-2000, August 2105-2120, Oct. 2180-2182, Dec 2255-2280, March 2355-2375.

[illegible]

AMERICAN MARKETS

Heating oil prices came under severe selling pressure on continued concern about the ability of OPEC to sustain it's price level. The price decline triggered technical selling which touched off stop-loss orders. Precious metals were sharply lower after both gold and silver failed to react to [illegible]

[illegible] selling and long liquidation depressed prices. Sugar was lightly supported by short covering and a better tone in the physical market. Technical buying appeared after prices gave indication of resisting further declines. Cocoa prices edged higher on U.S. crop estimates showing further reduction in West African production. Coffee [illegible]

NEW YORK

[illegible]

CHICAGO

[illegible]

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar firm in volatile trading

THE DOLLAR improved in currency markets yesterday in rather nervous and volatile trading. Commercial orders for the dollar encouraged speculators to buy the U.S. unit but with central banks intervening from time to time. It became difficult to detect whether the dollar was being forced down or marked down as a natural reaction to its recent sharp rise.

Consequently rates tended to fluctuate quite sharply during the day but the dollar finished on a stronger note, reflecting firmer U.S. interest rates and background support provided by continued unrest in the Middle East. It finished at a 10-year high against the D-mark in London at DM 2.7690 from DM 2.7660 on Wednesday. The Bundesbank was again active both at the fixing and in the open market although the West German authorities were keenly aware that any strong attempt to improve the D-mark/dollar cross rate would inevitably increase strains within the European Monetary System.

Central banks appear to have timed their recent heavy intervention to coincide with a temporary peak in the dollar and has been partially successful in tempting speculators into taking profits. However, should U.S. interest rates continue to rise, a desire to push the dollar firmer may seem irresistible.

The U.S. unit closed at SwFr 2.2110, slightly down from SwFr 2.2115 and Y234.90 compared with Y234.95. It was firmer against the French franc at FFr 8.4425 from FFr 8.4375 and closed at a record high against the Italian lira at L1676 from L1671.5. It also touched an all time high against the Belgian franc at BFr 56.41 from BFr 56.26. Its Bank of England trade weighted index was 130.7 from 130.8.

STERLING — Trading range against the dollar in 1983 is 1.6245 to 1.4170. November average 1.4773. Trade weighted index 82.0 against 81.9 at noon and 81.8 in the morning and compared with 81.8 on Wednesday and 84.2 six months ago.

Sterling was firmer against the dollar and European currencies. There was little sign of the recent selling which had pushed the pound to record lows against the dollar and with the latter improving from earlier levels, sterling tended to improve in sympathy. It closed at $1.4220-1.4230 against the dollar up from an opening level of $1.4175 and a low of $1.4150 and showed a gain of 55 points from Wednesday's close.

Against the D-mark it rose to DM 3.94 from DM 3.9225 and SwFr 3.1475 compared with SwFr 3.1375. It was also higher against the French franc at FFr 12.0050 from FFr 11.9525 and Y334.5 from Y333.25.

D-MARK — Trading range against the dollar in 1983 is 2.7690 to 2.3320. November average 2.6847. Trade-weighted index 124.3 against 127.6 six months ago.

The D-mark gained ground against the dollar at the Frankfurt fixing as the German Bundesbank continued to give support to its currency. The central bank was seen in the foreign exchange market very early on, pulling the dollar down from around the DM 2.7650. At the fixing official sales by the authorities totalled $63.1m and this, coupled with morning intervention estimated at about $50m to $100m, depressed the dollar to DM 2.7596, compared with the previous fixing level of DM 2.7685. Part of the Bundesbank action was offset by a large buying order in the market, possibly from the Soviet Union, while remarks by Dr Henry Kaufman of Salomon Brothers about higher U.S. inflation and interest rates lent further support to the dollar. The French franc fell to DM 32.69 per 100 franc from DM 32.73 at the fixing, and the Belgian franc also declined.

£ in New York—Latest

	Dec. 15	Previous
Spot	$1.4220-4230	$1.4210-4220
1 month	6.15-0.19 dis	0.15-0.10 dis
3 months	0.34-0.38 dis	6.34-0.30 dis
12 months	1.25-1.40 dis	1.28-1.32 dis

£ forward rates are quoted in U.S. cents discount.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU December 15	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.9810	+2.36	+1.80	±1.5447
Danish Krone ...	8.14104	8.16880	+0.34	−0.22	±1.6425
German D-Mark	2.24184	2.25558	+0.61	+0.05	±1.0642
French Franc ...	0.87456	0.90142	+0.39	−0.17	±1.4052
Dutch Guilder ...	2.52595	2.53149	+0.22	−0.34	±1.4964
Irish Punt	0.72569	0.727107	+6.20	−0.36	±1.6689
Italian Lira	1403.49	1368.70	−2.48	−2.48	±4.1105

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

THE POUND SPOT AND FORWARD

Dec 15	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4150-1.4260	1.4220-1.4230	0.15-0.20c dis	−1.48	0.32-0.37dis	−5.97
Canada	1.7665-1.7800	1.7760-1.7770	0.07-0.17c dis	−0.81	0.17-0.27dis	−0.49
Nethlnd.	4.38-4.43	4.41¾-4.42¾	1⅛-⅞c pm	3.05	3⅝-3⅛ pm	3.06
Belgium	79.60-80.30	80.20-80.30	5-15c dis	−1.49	27-37 dis	−1.59
Denmark	14.15-14.26	14.24½-14.25½	1.60-2.75ore dis	−1.83	3.85-6.00dis	−1.24
Ireland	1.2600-1.2720	1.2690-1.2710	0.30-0.38p dis	−2.21	0.85-1.00dis	−2.91
W. Ger.	3.90½-3.94½	3.93½-3.94½	1¼-⅝pf pm	2.66	3¼-2¾ pm	2.92
Portugal	187.00-188.75	188.00-188.50	130-305c dis	−13.86	485-970dis	−15.24
Spain	226.00-227.00	226.65-226.85	235-285c dis	−13.23	635-705dis	−11.82
Italy	2,374-2,385	2,382½-2,384½	14¾-16¾lire dis	−7.68	44½-47½ dis	−7.72
Norway	11.02-11.10	11.08½-11.09½	3¾-4¾ore dis	−4.39	10½-11 dis	−3.81
France	11.94-12.03	12.00-12.01	3-4c dis	−3.50	11¼-12¼dis	−4.00
Sweden	11.47½-11.56½	11.55-11.56	2½-3ore dis	−2.85	6½-7¼ dis	−2.38
Japan	332-336½	334-335	0.65-0.55y pm	2.15	2.30-2.20 pm	2.69
Austria	27.56-27.76	27.70-27.75	7-5⅞gro pm	2.79	22½-19 pm	2.99
Switz.	3.12½-3.15½	3.14¼-3.15¼	1½-1c pm	4.76	4-3½ pm	4.76

Belgian rate is for convertible francs. Financial franc 81.40-81.50. Six-month forward dollar 0.58-0.63c dis, 12-month 1.20-1.30c dis.

THE DOLLAR SPOT AND FORWARD

Dec 15	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4150-1.4260	1.4220-1.4230	0.15-0.20c dis	−1.48	0.32-0.37dis	−0.97
Ireland†	1.1200-1.1260	1.1200-1.1210	0.19-0.16c pm	1.87	0.57-0.50 pm	1.81
Canada	1.2480-1.2500	1.2495-1.2500	0.11-0.09c pm	0.96	6.19-0.10 pm	0.56
Nethlnd.	3.0940-3.1090	3.1070-3.1090	1.12-1.02c pm	4.14	3.14-3.04 pm	3.99
Belgium	56.15-56.42	56.40-56.42	par-1c dis	−0.11	4-8 dis	−0.43
Denmark	9.97¾-10.02¾	10.01¾-10.02¾	par-½ore dis	−0.30	¼-¾ dis	−0.20
W. Ger.	2.7520-2.7725	2.7685-2.7695	0.95-0.90pf pm	4.01	2.78-2.73 pm	3.96
Portugal	132.00-132.45	132.20-132.45	80-200c dis	−12.70	300-650 dis	−14.36
Spain	158.95-159.60	159.40-159.50	135-155c dis	−10.91	410-460 dis	−10.91
Italy	1,671½-1,677	1,675½-1,676½	8¾-9¾lire dis	−0.45	27¾-28½dis	−0.72
Norway	7.7775-7.8030	7.7980-7.8030	1.65-1.95ore dis	−2.77	4.95-5.25dis	−2.62
France	8.4200-8.4700	8.4400-8.4450	1.57-1.72c dis	−2.34	5.10-6.50dis	−2.28
Sweden	8.0935-8.1140	8.1085-8.1095	6.75-0.95ore dis	−1.26	2.40-2.60dis	−1.23
Japan	234.00-235.00	234.85-234.95	0.73-0.69y pm	3.63	2.15-2.16 pm	3.62
Austria	19.43½-19.52	19.51-19.52	7.20-6.60gro pm	4.25	20½-18¾ pm	4.05
Switz.	2.1995-2.2130	2.2105-2.2110	1.07-1.02c pm	5.88	3.20-3.15 pm	5.76

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 57.25-57.30.

OTHER CURRENCIES

Dec. 16	£	$		£ Note Rates
Argentina Peso...	29.97-30.05	21.09-21.12	Austria	27.55-27.89
Australia Dollar...	1.5865-1.5885	1.1145-1.1155	Belgium	80.70-81.50
Brazil Cruzeiro...	1,329.1-1,337.2	935-946	Denmark	14.15-14.29
Finland Markka...	8.3590-8.3750	5.8800-5.8850	France	11.96-12.08
Greek Drachma...	140.26-140.80	98.95-99.05	Germany	3.91-3.90
Hong Kong Dollar	11.106-11.116	7.8160-7.8180	Italy	2350-2380
Iran Rial	125.60*	88.70*	Japan	332-337
Kuwait Dinar (KD)	0.41625-0.41685	0.29315-0.29325	Netherlands	4.36½-4.40½
Luxembourg Fr.	80.20-80.30	56.40-56.42	Norway	11.03-11.13
Malaysia Dollar	3.3230-3.3290	2.3390-2.3405	Portugal	185-196
New Zealand Dlr.	2.1885-2.1935	1.5385-1.5410	Spain	222½-231
Saudi Arab. Riyal	4.9430-4.9490	3.4810-3.4815	Sweden	11.48-11.58
Singapore Dollar	3.0300-3.0360	2.1325-2.1340	Switzerland	3.12½-3.15½
Sth. African Rand	1.7325-1.7370	1.2180-1.2215	United States	1.41¼-1.43¼
U.A.E. Dirham	5.2140-5.2215	3.6720-3.6730	Yugoslavia	199-217

* Selling rates.

CURRENCY RATES

Dec. 15	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.731990	0.074744
U.S. $	9½	1.04046	0.812723
Canadian $	9.92	*	1.02160
Austria Sch	3¾	90.2368	15.9078
Belgian F	10	58.4577	40.9610
Danish Kr.	7	10.3915	8.16880
D mark	4	2.87123	2.25558
Guilder	5	3.21910	2.53149
French F.	9½	8.77620	0.90142
Lira	17	1738.88	1368.70
Yen	2	244.714	191.622
Norwgn Kr.	8	8.09678	0.36720
Spanish Pta	—	165.392	130.177
Swedish Kr	8½	8.43077	0.62756
Swiss Fr	4	2.29609	1.80299
Greek Dr'ch	20½	103.036	91.0044

*C$/SDR rate for Dec 14: 1.29856

CURRENCY MOVEMENTS

Dec. 15	Bank of England Index	Morgan Guaranty Changes%
Sterling	82.0	−8.9
U.S. dollar	130.7	+18.5
Canadian dollar	92.1	+0.3
Austrian schilling	114.3	+3.1
Belgian franc	89.3	−12.1
Danish kroner	78.2	−5.7
Deutsche mark	194.3	+6.7
Swiss franc	150.7	+13.8
Guilder	114.3	+4.0
French franc	66.0	−15.4
Lira	48.8	−11.8
Yen	156.2	+12.3

Morgan Guaranty changes: average 1980-1982=100. Bank of England index (base average 1975=100).

EXCHANGE CROSS RATES

Dec. 10	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.423	3.940	334.2	12.005	3.148	4.423	2384.	1.777	80.25
U.S. Dollar	0.703	1.	2.709	234.9	8.443	2.211	3.109	1676.	1.20	56.41
Deutschemark	0.254	0.501	1.	84.90	3.047	0.799	1.122	604.9	0.451	20.57
Japanese Yen 1,000	2.990	4.253	11.78	1000.	35.89	9.410	13.22	7126.	5.311	238.9
French Franc 10	0.833	1.185	3.282	278.2	10.	2.629	3.684	1985.	1.480	66.80
Swiss Franc	6.318	0.452	1.262	106.3	3.814	1.	1.405	757.3	0.564	20.50
Dutch Guilder	0.226	0.322	0.891	75.64	2.715	0.712	1.	538.7	0.403	18.12
Italian Lira 1,000	0.426	0.597	1.653	140.3	5.037	1.321	1.855	1000	0.745	33.07
Canadian Dollar	0.563	0.801	2.218	188.5	0.758	1.772	2.489	1342.	1.	45.17
Belgian Franc 100	1.246	1.773	4.910	416.8	14.96	3.922	5.011	2970.	2.214	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Dec. 10	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term	8¼-8⅜	9¾-10	8¾-9¼	6⅛-6⅛	1⅞-9	[illegible]-5⅛	12¼-19½	15¼-10¼	9-2⅛	9.9½	0½-6⅞	11⅞-12⅝
7 day's notice	8½-9 1/16	8¾-16	8⅝-9¾	0⅞-6⅛	1¾-2	[illegible]-5⅝	12⅝-12⅝	10¼-16¼	9½-10	9½-10	7-7⅛	11⅝-19⅛
Month	[illegible]	10⅜-10⅝	9⅛-9¾	6⅜-6¼	6-5⅛	6⅛-[illegible]	12½-12⅝	16⅝-17⅛	10⅛-11	10⅝-10⅝	7-7⅛	11⅝-11⅞
Three months	9⅛-9⅝	10⅝-10⅝	9¾-10	[illegible]	[illegible]	6⅛-[illegible]	13⅜-13⅜	17⅛-17⅝	10⅞-11⅝	10¾-11	[illegible]	11⅝-11⅞
Six months	9⅞-10	[illegible]	10-16¼	9⅝-6¾	[illegible]	9½-[illegible]	14¼-14⅛	17¾-18¼	11¼-11¾	11-11¼	0⅝-6¾	11¼-11¾
One Year	[illegible]	10⅞-11⅛	10⅜-10⅝	[illegible]	4⅝-4¾	[illegible]-6¾	14½-14¾	12¼-18⅞	11½-12	11⅛-11⅝	0¾-6⅞	11⅝-12⅛

Asian $ (closing rates in Singapore): Short-term 9 9/16-9 11/16 per cent; seven days 9⅝-9¾ per cent; one month 10 7/16-19 9/16 per cent; three months 10 7/16-10 9/16 per cent; six months 10 9/16-10 11/16 per cent; one year 10⅞-11 per cent. Long-term Eurodollars two years 11⅛-11½ per cent; three years 11⅝-12 per cent; four years 12-12⅝ per cent; five years 12⅜-12⅞ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

MONEY MARKETS

UK rates edge nervously firmer

UK rates continued to react to the comparative weakness of sterling yesterday and fears of higher U.S. interest rates. Three-month interbank money was quoted at 9 5/16 per cent up from 9 3/16 per cent while three-month eligible bank bills were bid at 9 per cent from 8 15/16 per cent. Overnight interbank money opened at 8¾-9 per cent and eased to 8 per cent, touching a low of 7¾ per cent before coming back to finish at 9¼ per cent.

The Bank of England forecast a shortage of around £400m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £162m and a rise in the note circulation of £75m. In addition Exchequer transactions drained a further £160m. This figure did not include housing benefits which are now expected today.

The Bank gave assistance in the morning of £383m, buying £4m of Treasury bills and £40m of eligible bank bills in band 3 (34-63 days) all at 8 13/16 per cent and in band 4 (64-91 days) £36m of Treasury bills, £157m of local authority bills and £146m of eligible bank bills all at 8¾ per cent. During the afternoon it gave further assistance of £21m, buying eligible bank bills in band 4 at 8¾ per cent.

In Frankfurt the Bundesbank left its credit policies and interest rates unchanged after yesterday's meeting of the central council. Recent dollar strength raised the possibility of the Bundesbank increasing its Lombard rate in order to defend the D-Mark. However this could have a destabilising effect with the EMS. Already the French franc has weakened to around its mid point within the permitted cross rate band against the D-mark with the fall exacerbated by recent heavy intervention in currency markets by the Bundesbank.

This has so far not affected the supply of short term domestic liquidity and call money yesterday was quoted at 5.4-5.5 per cent from 5.45-5.5 per cent on Wednesday and a Lombard rate of 5.5 per cent. Banks are already well ahead with this month's reserve requirements and this should help relieve any shortages of short term credit within the market.

UK clearing banks' base lending rate 9 per cent (since October 4 and 5)

MONEY RATES

Dec. 16	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.40-5.50	12⅛	19	6-6⅛	0.53126	17⅛-17⅞	0.30	18-19¼
One month	6.40-5.55	[illegible]	[illegible]	[illegible]	6.53120	—	10½-16⅝	19.12¼
Two months	6.35-6.50	[illegible]	—	—	—	[illegible]	—	12-12¼
Three months	6.35-6.50	[illegible]	4⅜-4¾	[illegible]	6.22125	[illegible]	[illegible]	[illegible]
Six months	6.30-6.45	[illegible]	—	[illegible]	—	[illegible]	[illegible]	[illegible]
Lombard	5.5	—	—	—	—	[illegible]	[illegible]	[illegible]
Intervention	—	12	—	5¾	—	[illegible]	[illegible]	[illegible]

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Dec. 15 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	7¼-9⅛	8¾-8⅞	8¾-9	7¾-9	—	—	—	—	—
2 days notice	—	—	8⅞-8	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 day notice	—	8¾-9⅛	6⅞-9	9-9⅛	9⅞	—	—	—	—	—
One month	9¼-9 3/16	[illegible]	[illegible]	9½	9	9	8 13/16	9-9½	[illegible]	9⅝
Two months	[illegible]	[illegible]	[illegible]	9⅝	9	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	9⅛-9⅝	9½	9¾	9	[illegible]	8⅞	9	8½	9⅝
Six months	9¾-9⅝	[illegible]	9⅞	—	—	—	—	9¼-9 5/16	9¼-9 5/16	[illegible]
Nine months	9⅞-9¾	[illegible]-10⅛	9⅞	—	—	—	—	—	—	—
One year	9⅞-9¾	10-16¼	10⅛	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Certs of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	9¾-9⅛	—	0⅜	10.2-10.3	[illegible]	[illegible]
Two months	9¾-9⅛	—	[illegible]	10.15-10.25	9½-9⅝	[illegible]
Three months	9¾-9⅛	—	9⅛	10.15-10.25	9¼-9⅝	9¼-9⅝
Six months	9⅝-9⅜	—	9⅞	10.4-10.5	[illegible]	9⅝-10
Nine months	10⅛-9¾	—	10	10.5-10.7	—	—
One year	10⅛-9¾	—	10⅛	10.70-10.90	9¾-10⅛	9⅞-10¼
Two years	—	10⅛	—	—	—	—
Three years	—	10¾	—	—	—	—
Four years	—	10⅞	—	—	—	—
Five years	—	11	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period November 2 to December 6 1983 (inclusive) 9.350 per cent. Local authorities and finance houses seven days' notice, other seven days' fixed. Finance Houses Base Rates (published by the Finance Houses Association) 9½ per cent from December 1 1983. London and Scottish Clearing Bank Rates for lending 9 per cent. London Deposit Rates for sums at seven days' notice 5½ per cent. Treasury Bills: Average tender rate of discount 2.843 per cent. Certificates of Tax Deposit (Series 0). Deposits of £100,000 and over held under one month 9¼ per cent; one-three months 9½ per cent; three-six months 9¾ per cent; six-12 months 10¼ per cent. Under £100,000 9¼ per cent from December 14. Deposits held under Series 4-5 10 per cent. The rate for all deposits withdrawn for cash 9 per cent.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	11
Broker loan rate	10¼-10½
Fed funds	10
Fed funds at intervention	9⅞

Treasury Bills

One month	9.90
Two month	9.15
Three month	9.17
Six month	9.28
One year	9.30

Treasury Bonds

Two year	89⅞
Three year	90 17/32
Four year	98⅞
Five year	96 23/32
Seven year	98 1/32
10 year	98 11/32
30 year	89 11/32

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING
(11.00 am December 15)

3 months U.S. dollars

bid 10 7/16	offer 10 9/16

6 months U.S. dollars

bid 10 5/8	offer 10 3/4

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

FINANCIAL FUTURES

Gilts improve

The long term gilt contract finished near the highest level of the day on the London International Financial Futures Exchange yesterday. It opened lower following a soft tone to the U.S. bond market on Wednesday, and nervousness about sterling, but after one or two attempts to rally moved up in late trading. Market sources suggested that a squeeze on bear positions contributed to the late buying, and that sentiment was helped by a slightly better close in the cash market and by the more confident look to the pound on the foreign exchanges. Gilts for March delivery opened at 107-03, and after falling to 107-00 rose to a peak of 107-27, before closing at 107-25, compared with 107-12 previously.

Three-month sterling deposit futures for March opened at 90.24, near the day's highest point of 90.25, but then met with some heavy selling, falling to a low of 90.13, but finished above the worst at 90.15, compared with 90.28 on Wednesday. A rise of 0.6 per cent in sterling M3 money supply in the month to mid-November was regarded as mildly disappointing, but failed to have any significant influence.

A rise of 0.8 per cent in U.S. industrial production during November was slightly more than expected, but also had little impact on Eurodollar futures, despite the present concern about inflationary pressures caused by fast economic growth. Comments by Dr Henry Kaufman of Salomon Brothers about rising U.S. inflation and interest rates added to market nerves, and there was also disappointment at the scale of Federal Reserve intervention in the New York banking system, where Federal funds rose to 10 per cent after the announcement of a $1.5bn repurchase agreement for customer account.

LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev
March	89.38	89.38	89.32	89.41
June	89.07	89.08	89.03	89.12
Sept	88.88	88.91	88.85	88.91
Dec	88.62	—	—	88.64
March	88.35	—	—	89.37

Volume 1,640 (2,504)
Previous day's open int. 9,623 (8,452)

THREE-MONTH STERLING DEPOSIT
£250,000 points of 100%

	Close	High	Low	Prev
March	90.19	90.25	90.13	90.28
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	89.76	89.84	89.76	89.89
Dec	89.62	—	—	89.66

Volume 1,352 (1,062)
Previous day's open int. 5,096 (5,331)

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

[illegible]

GERT. DEPOSIT (IMM)
$1m points of 100%

[illegible]

STERLING £25,000 $ per £

[illegible]

DEUTSCHE MARKS
DM 125,000 $ per DM

[illegible]

SWISS FRANCS
SwFr 125,000 $ per SwFr

[illegible]

JAPANESE YEN Y12.5m $ per Y100

[illegible]

CHICAGO

U.S. TREASURY BONDS (CBT)
$100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	69-19	69-29	69-10	69-12
March	68-29	69-07	68-25	68-28
June	68-10	68-19	68-05	68-09
Sept	67-28	68-02	07-21	07-24
Dec	67-12	67-19	67-09	07-09
March	66-30	67-04	66-27	66-27
June	66-19	66-24	66-15	66-15
Sept	66-09	66-14	66-05	66-05

U.S. TREASURY BILLS (IMM)
$1m points of 100%

[illegible]

GERT. DEPOSIT (IMM)
$1m points of 100%

[illegible]

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

[illegible]

GNMA (CBT)
8% $100,000 32nds of 100%

[illegible]

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, December 14, 1983. The Exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT and SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT and SA nor the Financial Times assume responsibility for errors.

Bank of America, Economics Dept., E.M.E.A. London
Eurodollar Libor as of December 14 at 11.00 am
3 months: 10½ 6 months: 10 11/16

SDR1 = US$1.03852
Sibor as at December 14 at 11.00 am
3 months: 10½ 6 months: 10¾

COUNTRY	CURRENCY	VALUE OF DOLLAR	COUNTRY	CURRENCY	VALUE OF DOLLAR	COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	50.50	Grenada	E. Caribbean $	9.70	Peru	Sol	2220.01
Albania	Lek	7.1292	Guadaloupe	Franc	8.451	Philippines	Peso (4)	14.00
Algeria	Dinar	4.961	Guam	U.S. $	1.00	Pitcairn Is.	N.Z. Dollar	1.5433
Andorra	Fr. Franc	8.451	Guatemala	Quetzal	1.00	Poland	Zloty (O)	65.48
	Sp. Peseta	159.85	Guinea Bissau	Peso	42.3641	Portugal	Escudo	132.65
Angola	Kwanza	30.214	Guinea Rep.	Syli	23.7870	Puerto Rico	U.S. $	1.00
Antigua	E. Caribbean $	2.70	Guyana	Dollar	3.00	Qatar	Riyal	3.6397
Argentina	New Peso (f)	20.915	Haiti	Gourde	0.00	Reunion, Ile de la	Fr. Franc	8.451
Australia	Dollar	1.1146	Honduras Rep.	Lempira	[illegible]	[illegible]	[illegible]	[illegible]
Austria	Schilling	19.517	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INTERNATIONAL CAPITAL MARKETS

EUROBONDS

Strong demands for Spain's 'bulldog'

By Mary Ann Sieghart in London

SPAIN'S $50m bulldog bond closed about 1½ times oversubscribed yesterday, according to lead manager Samuel Montagu. Applications up to £100,000 will be allotted in full, and those over £100,000 to the tune of 68 per cent.

SBC International has formed the management group for its novel $100m deal for Alcan Australia, the aluminium company. The bonds will not be on offer until the end of next month, but SBC confirmed that they will pay ¼ point over the six-month London interbank offered rate (Libor), and investors will be able to sell them back to the managers at par at six-monthly intervals.

BHF Bank bond average		
Dec 15		Previous
97.840		97.874
High	1983	Low
102.017		97.699

The price will be determined by tender, apparently to gain exemption from Australian withholding tax on the interest payments. The minimum price will be that which yields ¾ per cent over Libor. If the full amount is not taken up, the managers will subscribe at that price. The full life of the deal is 10 years, but the managers have the option to have their bonds redeemed after seven years.

Secondary markets were quiet yesterday, with prices closing unchanged in Switzerland and slightly down in the D-Mark and dollar sectors.

Indonesia goes to banks for Y25bn loan

TOKYO – A group of 45 Japanese and foreign commercial banks will extend Y25bn ($106m) in yen loans to the Indonesian Government to help to finance its general expenditures, the Industrial Bank of Japan announced yesterday.

The extension of yen loans to Indonesia is the fifth since June last year – Y13bn in June last year, Y10 in September last year, Y17.5bn in December last year and Y24bn in July this year.

The loan agreement will be signed in Tokyo on Monday, with the syndicate led by the Industrial Bank and Mitsubishi Bank.

The loan will be divided into two parts – Y12.5bn carrying a fixed annual interest at Japan's long-term prime rate (now 8.2 per cent) plus 0.3 per cent, the remainder with a floating interest rate based on the long-term prime rate plus 0.1 per cent to be reviewed every six months.

Both tranches are repayable in 10 years, with a five-year grace period.

The syndicate is made up mostly of Japanese banks, which are playing an increasingly big role in international lending. Reuter

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for December 15.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex O/S Fin 10¼ 90	100	93⅝	94⅛	+0⅛	0	11.95
Australia Comm 11⅛ 90	100	100⅛	100⅝	0	[illegible]	11.15
Australia Comm 11½ 95	300	95½	96	0	[illegible]	12.18
Australia Comm 11⅝ 98	100	[illegible]	[illegible]	[illegible]	[illegible]	12.15
Bank of Tokyo 11 90	100	[illegible]	94½	0	[illegible]	12.43
British Col Hyd 10¼ 88	200	95½	96	[illegible]	[illegible]	11.54
Brazil Fin 11⅞ 90	125	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Canada 10⅞ 88	500	[illegible]	[illegible]	+0⅛	0	11.24
C.C.C.E. 11⅜ 97	100	[illegible]	[illegible]	[illegible]	0	12.91
C.C.C.E. 12⅛ 95	75	[illegible]	[illegible]	[illegible]	[illegible]	12.81
C.I.B.O. 11 90	75	[illegible]	[illegible]	[illegible]	[illegible]	12.78
Citicorp O/S 10¾ 90	100	[illegible]	[illegible]	[illegible]	[illegible]	12.50
Citicorp O/S 11¾ 00	100	[illegible]	[illegible]	0	0	12.43
Cred Suisse BAH 10½ 90	150†	97	97½	-1	-1¼	11.11
Den Norsk Cred 11¼ 93	50	[illegible]	[illegible]	[illegible]	[illegible]	12.60
E.C.S.C. 11⅛ 90	75	[illegible]	[illegible]	[illegible]	[illegible]	12.12
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Issued	Bid	Offer	Change on day	Change on week	Yield
E.I.B. 8¼ 92	15	103	[illegible]	[illegible]	[illegible]	[illegible]
Inter-Am Dev Bk 7⅝ 93	15	[illegible]	101	[illegible]	[illegible]	[illegible]
New Zealand 7⅝ 89	15	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bank 7⅝ 93	20	[illegible]	101	[illegible]	[illegible]	[illegible]

Av. price changes... on day [illegible], on week [illegible]

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Farm Credit 12⅛ 90 CS	75†	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Loblaw 12½ 90 CS	35†	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TD MTG Corp 12½ 88 CS	40†	[illegible]	101	[illegible]	[illegible]	[illegible]
Quebec Hydro 12¾ 93 CS	50†	101	101½	[illegible]	[illegible]	[illegible]
Royal Trstco 12⅝ 88 CS	50†	101	[illegible]	0	[illegible]	[illegible]
World Bank 12⅛ 90 CS	75†	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Xerox Canada 12 98 CS	40†	102	[illegible]	[illegible]	[illegible]	11.32
E.I.B. 11⅛ 93 ECU	50	[illegible]	[illegible]	[illegible]	[illegible]	11.01
Gotabanken 11 90 ECU	60	[illegible]	[illegible]	[illegible]	[illegible]	11.22
Algemene Bank 8¼ 88 Fl	150	102½	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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WORLD NEWS

Two killed as Tidey is freed

A policeman and a soldier were shot dead in gun battles following the release of a kidnapped supermarket executive Don Tidey near Ballinamore, County Leitrim.

A huge security operation began earlier in the day after a police patrol was fired on near the Ulster border. The kidnappers were later spotted apparently transferring Mr Tidey to a new hideout, but scattered under police fire, leaving their victim unharmed.

Two men were arrested but security forces were continuing a search for a least six other men.

Nanny to go free

Scottish nanny Carole Compton is to be conditionally freed after being found not guilty of attempted murder, but guilty of two arson charges in Livorno, Italy.

Kidnappers jailed

George Panae was jailed for 18 years for leading the abduction of a young London couple Maria and Emanual Xuereb. His brother Anastasi was jailed for 10 years.

Guardian returns memo

Guardian editor Peter Preston complied with an Appeal Court ruling and handed over to Government lawyers a leaked memo on cruise missiles. Page 3

Polish dead honoured

Lech Walesa's wife Danuta laid a wreath outside Gdansk's Lenin shipyard to commemorate the deaths of Polish shipyard workers killed by security forces in 1970.

'Disappeared' probe

Argentina's Government set up a commission to establish the fate of up to 30,000 who disappeared under military rule.

Constitution approved

El Salvador's constituent Assembly a constitution paving the way for presidential elections next March.

Weston still held

Lawyers for Anthony Weston, husband of A1 murder victim Janice Weston, failed in a High Court bid to have him released from custody. Police said he would be released or charged by this afternoon.

Arsenal sacks Neill

Terry Neill was dismissed as manager of Arsenal following a meeting with chairman Peter Hill-Wood.

Drink-drive warning

Drunken drivers could face jail sentences in courts throughout the country, the Magistrates Association warned.

Helicopter ban ends

The Civil Aviation Authority lifted an order grounding Westland's new W30 helicopters following modifications to tail rotor controls.

Ripper case damages

The Mail on Sunday paid "substantial" damages to Olive Smelt, who survived an attack by Yorkshire ripper Peter Sutcliffe, over a reference to her in former police chief Ronald Gregory's memoirs.

Liverpool heroin haul

Customs officers at Liverpool's Huskisson docks found 2½ kilos of heroin, worth £250,000, on a freighter from Pakistan.

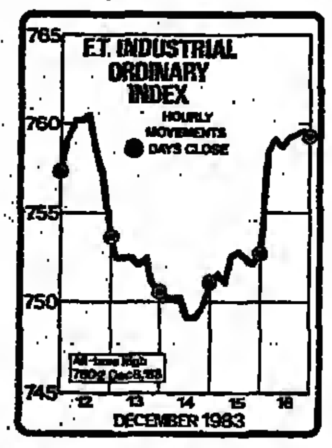
BUSINESS SUMMARY

£ closes at record low against $

STERLING finished in London at a record closing low against the dollar at $1.414, a fall of 85 points. The dollar continued to improve against other currencies. Page 19

The West German Bundesbank intervened heavily in currency to stem the advance of the dollar. Page 2

THE FT Industrial Ordinary share index, pushed by a sharp gain in index constituent London Brick, closed 6.5 up at



759.3, close to the all-time peak of 760.2. Shares in London Brick rose 31p to 135p as the group rejected Hanson Trust's 120p per share cash offer. Back Page

PHILIPS, Dutch electrical group, was poised to increase its 24.5 per cent stake in Grundig of West Germany to more than 50 per cent. Back Page

GOLD fell on the London bullion market to the lowest level since August 1982 with the spot price closing $15.25 down at $373.875 an ounce. Dealers attributed speculative selling to the stronger dollar, fear of higher U.S. interest rates and decline in silver. Page 19

MIDLAND BANK denied it was considering buying out minority shareholders in Crocker National Bank, its 57 per cent-owned U.S. subsidiary. Crocker's shares slumped after the bank announced a $107m (£75.67m) bad loan charge and Midland shares closed at 378, down 55p. Midland learns Page 14

THE PHILIPPINES expects to seek an extension of its debt repayment moratorium before expiry on January 16 because of delays in settling rescue package details. Back Page

GENERAL ELECTRIC, U.S. manufacturing group, is to sell its worldwide small electrical appliances business to Black and Decker for $300m (£212.16m).

INTERNATIONAL Harvester signed a letter of intent to sell Seddon Atkinson, its UK truck-making subsidiary, to Enasa, the Spanish State-owned truck manufacturer. Back Page

CIBA-GEIGY, Swiss chemical concern, is to buy a major part of the pigments business of Du Pont group of the U.S. in a SwFr50m (£15.89m) deal. Page 21

COCOA prices on the London futures market reached the highest level for five years this week, reflecting concern about West African crop prospects and a likely supply deficit. Page 19

POST OFFICE profits from postal business fell to £31m from £34m for the half-year ending September 28, with the freeze on the price of second class mail given as the main reason. Page 3

Lebanon ceasefire paves way for early peace talks

BY PATRICK COCKBURN IN BEIRUT

A CEASEFIRE has been signed in Damascus between the Lebanese Government and its opponents. The move paves the way for an early resumption of reconciliation talks in Switzerland.

Daily exchanges of shelling and skirmishes in and around Beirut had made the previous ceasefire almost worthless. U.S. warships off the Lebanese coast have bombarded areas which the Americans say contain Syrian anti-aircraft units.

The ceasefire's first achievement was the reopening of Beirut international airport yesterday afternoon. In the past three weeks, the only safe way out of the country for Lebanese has been by ship.

The lastest ceasefire is likely to hold longer than previous ones because it has Syrian backing and was confirmed by Mr Walid Jumblatt, the Druze leader, and Mr Nabih Berri, the Shi'ite leader. Syria clearly feels that a renewed reconciliation conference could yield it benefits.

Lebanon's President Gemayel has failed in his efforts to persuade the opposition leaders to join a national unity cabinet. They have demanded an effective end to the May 17 agreement with Israel before joining the government, but the president has not been able to get the U.S. or Israel to accept this.

The latest ceasefire will be effective only if the growing conflict between Syria and the U.S. also ends, at least for a period. The Druze are angry at what they see as U.S. naval shellfire being used against their villages in the mountains above Beirut.

As the conflict escalated, with the U.S. battleship New Jersey opening fire on Syrian positions this week, the Press in Damascus hinted that Syria can hit back at the American ships.

The battle-weariness of all sides in Lebanon has clearly played a role in the new truce, but there is little optimism that any long-term solution can be found at renewed talks in Switzerland.

The Syrian, Lebanese and Saudi Arabian foreign ministers are to meet in Damascus tomorrow to discuss details of the reconciliation talks. Syria and Saudi Arabia each has observer status at the discussions between the nine main political leaders in Lebanon.

Arafat fighters depart, Page 2

Shipyard's main union backs call for strike

BY ANDREW FISHER AND DAVID BRINDLE

THE dominant union in British Shipbuilders has voted to strike from January 6. The decision coincided with yesterday's announcement of a £58m loss at the state-owned shipbuilders for the six months to the end of September and a forecast of full-year losses of about £120m.

The strike vote was by a majority of just over three to two. It was taken by the 30,000 shipyard members of the General, Municipal and Boilermakers' Union over a £7 a week productivity deal in return for changes in working practices.

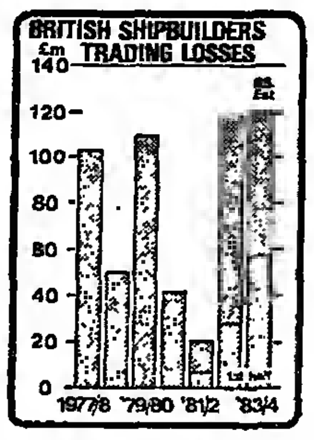
The GMBU represents half the workforce in the shipyards. Other unions still have to decide on the call for an indefinite stoppage from January 6 but the GMBU ballot will set the trend.

Mr Graham Day, British Shipbuilders' chairman, has warned that a strike could damage the group seriously. One yard, Scott Lithgow on the Clyde, could close if, as seems possible, an £86m rig order by Britoil is cancelled.

The GMBU had consulted its members on the strike call made by the Confederation of Shipbuilding and Engineering Unions. The outcome lends weight to union leaders' view that British Shipbuilders' executives have misjudged the mood of the workforce. Management believed the vote would go the other way.

The ballot was consultative, however, and the GMBU central executive council will have to decide whether to authorise the stoppage when it meets next week.

Cammell Laird on Merseyside,



which builds warships and oil and gas rigs and has been faring relatively well, supported the strike call by a majority of just under two to one. The Vosper Thornycroft warship yard at Southampton voted against.

Govan and Yarrow on the Clyde, Swan Hunter on the Tyne, and Vickers are understood to have voted for a stoppage. The votes at Yarrow and Vickers were by majorities of four to one.

The ETPU, representing electricians, is balloting its 10,000 shipyard members. The Amalgamated Union of Engineering Workers is believed already to have endorsed the strike call.

A full-year loss of £120m would take British Shipbuilders' total losses since nationalisation in 1977 to £560m. The first half loss of £58m compares with a loss of £28m in the April-September period of 1982.

British Shipbuilders said its continued decline — the total trading deficit in 1982-83 was £117m — reflected protracted problems in the offshore division and the failure of the shipbuilding market to recover from its depressed level.

The difficulties in offshore construction occurred at Scott Lithgow, now two years behind schedule on the Britoil rig.

Scott Lithgow, which employs 4,500 and is the main offshore yard at British Shipbuilders, would almost certainly close if cancellation took place. British Shipbuilders said it cannot afford to renegotiate the contract.

The yard is late with a nearly completed £70m rig for British Petroleum. Its workers also voted for the strike.

Mr Day met Mr George Younger, Secretary for Scotland this week, to tell him about the gloomy prospects for Scott Lithgow and some other Scottish yards. The Government has said it will not intervene over the Britoil order.

The Britoil rig is financed by Lloyds Leasing, part of Lloyds Bank, which has already paid £40m to British Shipbuilders. Britoil is partnered in the North Sea rig venture by Ben Odeco, a British-U.S. drilling contractor.

The rig originally was to have been delivered next April. However, January 1985 was later fixed as the date. Since then it has become clear even this would be hard to meet.

Management at Scott Lithgow failed to get workers to agree to a local survival plan to increase productivity.

Post Office profits drop, Page 3

Smith Bros stake for Rothschild

BY JOHN MOORE, CITY CORRESPONDENT

NM ROTHSCHILD & Sons, the merchant bank, is to take a 29.9 per cent stake in Smith Bros, a large stockjobber on the London Stock Exchange, in a deal worth £6.5m.

The deal is the latest in a string of alliances between banks and securities firms triggered by proposals to reform the Stock Exchange and allow greater outside participation.

It is the second major deal in two months involving British partners. It is also the second major deal in which a merchant banking group has taken a stake in a stockjobber.

The deal was announced yesterday after trading finished on the Stock Exchange, too late to affect the share price of Smith Bros, one of two publicly-quoted stockjobbers.

At the closing price of 76p, Smith Bros is valued at £9.9m.

Under the proposed deal the Rothschild group will subscribe for shares and convertible loan stock in Smith Brothers, which on full conversion will give it 29.9 per cent of the share capital of Smith Brothers.

Subject to shareholder approval and regulatory clearances, Smith Brothers will issue to Rothschilds 800,000 ordinary shares at a price of 95p a share payable in cash.

The stake will represent 6.5 per cent of the equity once it is enlarged by issue of the shares.

In the remainder of the deal Smith Brothers will issue £5.65m nominal of 8.75 per cent convertible unsecured loan stock 2000 at par for cash. The loan stock can be converted into ordinary shares of Smith Brothers.

The Bank of England and the Stock Exchange ruling council have been informed of the deal. The Stock Exchange council has yet to approve it.

As part of the agreement Smith Bros and Rothschilds, subject to approval by Smith Bros shareholders and the regulatory authorities, will form an international dealing company which will trade in international securities as soon as the Stock Exchange regulations permit.

The Stock Exchange is planning new rules to govern international dealerships, and may allow companies not members of the Stock Exchange to take up to 49 per cent in inter-

Continued on Back Page

STAKES BOUGHT IN UK STOCK EXCHANGE FIRMS*

June 1982	Security Pacific—Hoare Govett	£8m
November 1982	RIT & Northern—Kitcat & Aitken	NA
November 1983	Citicorp—Vickers da Costa	£20m
November 1983	Mercury Securities—Akroyd & Smithers	£41m
December 1983	N. M. Rothschild—Smith Bros.	£6.5m

* 29.9 per cent the maximum allowed by the Stock Exchange except for Citicorps-Vickers da Costa which includes about 80 per cent of Citicorp-Vickers da Costa's non-London business.

Mitchell Bill has second reading

By Kevin Brown and John Hunt

THE private member's Bill seeking to break solicitor monopoly of house conveyancing secured a second reading in the Commons yesterday, in spite of Government disapproval of the measure.

The decision, over Mr Austin Mitchell's House Buyers' Bill was taken by 96 votes to 76, on a free vote.

It embarrassed ministers coming after an explicit plea for rejection. Sir Patrick Mayhew, the Solicitor General, told MPs the Bill's provisions for licensed conveyancers to compete with solicitors were considered unworkable.

Earlier the Bill was saved from extinction by one vote. Mr Mitchell, Labour MP for Great Grimsby, said the Bill's sponsors thought they would lose a closure motion right up to the last minute. Ninety-nine MPs were in the lobby and the door was being closed when Mr David Steel, the Liberal leader, pushed through. Mr Mitchell won 100 votes on the motion—the minimum needed to prevent the Bill being talked out.

The vote for the second reading will lead to further claims that the Government is becoming accident prone. It is also a setback for the 106 English and Welsh lawyers in the Commons, who form one of the most vociferous interest groups, and for the Law Society, which has campaigned vigorously against Mr Mitchell's proposals.

Sir Patrick tried to deflect Tory support for Mr Mitchell by promising government action to extend conveyancing rights to solicitors working for building societies and banks. He also suggested an independent Law Commission inquiry.

These compromise proposals were worked out at a Cabinet meeting on Thursday, after the Bill had been vigorously opposed by Lord Hailsham, the Lord Chancellor.

By making policy at such a late stage the Government left itself open to challenges on detail. MPs were clearly angered by Sir Patrick's refusal to put a time limit on consultations.

The Government is in a difficult position. The official line last night was that ministers

Continued on Back Page

Inflation returns to under 5%

BY ROBIN PAULEY

THE ANNUAL inflation rate fell back to under 5 per cent again in November and the signs are that this year as a whole will see the lowest increase in retail prices since 1969.

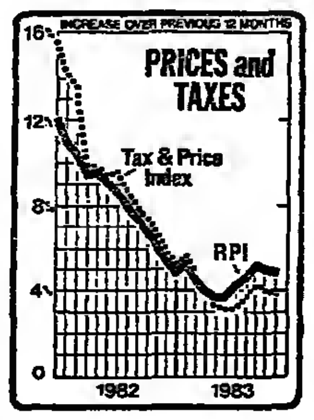
The Retail Price Index in November was 4.8 per cent up on 12 months before compared with a 5 per cent rise in October and 5.1 per cent in September, according to Employment Department figures yesterday.

The further drop supports the view of Mr Nigel Lawson, the Chancellor, and his Treasury officials that many forecasters have been over-estimating inflationary pressures in the pipeline.

Overall, prices rose by 0.4 per cent in November compared with October, the same increase as in each of the three previous months.

This took the Retail Price index to 341.9 (1974 = 100) compared with 340.7 in October and 326.1 in November last year.

The smallness of November's rise came in spite of increases in coal prices — up 4 per cent — in the month, higher telephone charges, dearer beer and cigarettes, and higher prices for fruit and clothes. Offsetting this there were falls in the prices of wine and second-hand cars.



The inflation rate for December is expected to be slightly higher than that of November, partly because last December a 2 percentage point cut in the mortgage interest rate had an effect on living costs which will not be repeated in this month's figures.

Nevertheless the average inflation rate for this year is likely to be about 5 per cent, the lowest since 1969. The Treasury's latest forecast for next year is that inflation may be up to 5½ per cent by the middle of the year and back to about 4½ per cent by its end.

Sir Terence Beckett, director general of the Confederation of British Industry, called the November inflation figure good news.

He said: "This augurs well for attaining the Chancellor's forecast of 4½ per cent by the end of next year but we must not relax our efforts to keep pay settlements low as part of the effort to improve competitiveness."

Mr Tom King, Employment Secretary, said keeping inflation down was vital if Britain was to compete in world markets.

"We owe it to the unemployed to ensure that we do not relax now so that we can give them the best possible chance of a job in the coming year," he said.

Although Britain is doing well in its own terms on the inflation front several of its major trading partners and competitor nations are doing better.

The latest inflation rate figures are for Japan 1.4 per cent, The Netherlands 2.5 per cent, West Germany 2.6 per cent, the U.S. 2.9 per cent and Canada 4.9 per cent.

The average inflation rate in the major industrialised countries is now 5.2 per cent. Italy, on the other hand, has a rate of 13.1 per cent and France 10.4 per cent.

PSBR, Page 3; Editorial Comment, Page 14

MARKETS

DOLLAR

New York lunchtime:
DM 2.775065
FFr 8.468
SwFr 2.2145
Y235.4

London:
DM 2.778 (2.769)
FFr 8.4775 (8.4425)
SwFr 2.215 (2.211)
Y235.7 (234.9)
Trade Weighted 131.1 (130.7)
Tokyo close Y235.1

U.S. LUNCHTIME RATES

Fed Funds 9 11/16%
3-month Treasury Bills: 9.1%
Long Bond: 100 13/32
yield: 11.94

GOLD

New York: Comex Dec. latest $374.5
London: $373.875 ($389.125)

STERLING

New York lunchtime: 1.4175
London: $1.414 (1.4225)
DM 3.93 (3.94)
SwFr 3.135 (3.1475)
FFr 11.985 (12.005)
Y333.5 (334.5)
Trade weighted: 81.9 (82)

LONDON MONEY

3-month interbank:
mid rate 9 7/16% (9 7/16)
3-month eligible bills:
buying rate 9% (9)

STOCK INDICES

FT Ind Ord 759.3 (+6.5)
FT-A All Share 462.48 (−0.3%)
FT-A long gilt yield index:
High coupon 10.31 (10.32)
New York lunchtime:
DJ In Av 1238.21 (+1.42)
Tokyo:
Nikkei Dow 9530.61 (+68.18)

Chief price changes yesterday, Back Page

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For latest Share index phone 01-246 8026

Pretoria offer raises hopes of Namibia deal

BY BERNARD SIMON IN JOHANNESBURG AND QUENTIN PEEL IN LONDON

SOUTH AFRICA'S offer to pull back its forces from southern Angola *for a month from the* end of January has raised cautious hopes of breaking the lengthy deadlock in negotiations *for a Namibia* settlement.

The offer, made by Mr Pik Botha, the Foreign Minister, in a letter to Sr Javier Perez de Cuellar, Secretary-General of the United Nations, follows considerable Western diplomatic pressure on Pretoria to withdraw.

Nevertheless, there is a fear in Western capitals that the South African move may have come too late to save the U.S.-led initiative for a Namibia settlement, which has become bogged down because of the deteriorating security situation inside Angola.

An official of the South West Africa People's Organisation (Swapo), the nationalist movement fighting South African troops in northern Namibia, was reported yesterday to have rejected Pretoria's offer as "totally unacceptable". There was no immediate response from Angola.

In his letter, Mr Botha said South Africa was willing "to begin a disengagement of forces" on condition that Angola, Swapo, and the Cuban forces in Angola "would not exploit the resulting situation". However, he made no mention of South African support for the Unita guerrillas in Angola.

South Africa has claimed in *the past that none of its troops* in the "operational area" is stationed permanently inside Angola, but does admit that *frequent cross-border raids are* carried out against Swapo bases. Angola maintains that South Africa has been in effective occupation of a wide strip north of the Namibian border since August 1981.

However, the gravest threat to the Angolan Government now comes from the Unita guerrillas, whom Western sources believe to have received greatly increased South African support.

The Unita advance has resulted in the estimated 25,000 Cuban troops in Angola being more frequently deployed in active combat, and has undermined the U.S. plan to link a Cuban withdrawal to a Namibian settlement.

Signs of renewed efforts to break the Namibia impasse were evident earlier this month during a visit by Mr Botha to several West European capitals.

Black African and West European countries are increasingly critical of U.S. and South African insistence that implementation of the United Nations settlement plan is conditional on withdrawal of the Cubans.

Significantly, Mr Botha's latest offer makes no mention of Cuban withdrawal and the Cuban presence is said not to be an issue in the pullback.

White House seeks $1.4bn military aid for Israel

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

THE Reagan *Administration* is to ask Congress for $1.4bn (£933m) in military aid for Israel in the next fiscal year, none of which would have to be repaid, Administration officials said yesterday.

The figure represents a compromise between an initial U.S. offer of $1.275bn and an Israeli request for $1.7bn, the current level.

The new arrangement is intended, however, to be more favourable to Israel, in that half the current total is in the form of loans which have to be repaid, while the $1.4bn for fiscal 1985, which starts next October 1, would be entirely in *grants.*

The decision, which should ease the debt burden on the Israeli Government, forms part *of* a wider reorientation of U.S. military aid in the direction of grants rather than loans, the officials said. Most U.S. military aid recipients are in financial difficulties.

Egypt, accordingly, is to be allocated $1.1bn in grants in fiscal 1985, against a current total of $1.3bn, most of which has to be repaid.

In addition, the Administration will propose $1bn in economic aid for Egypt and $850m for Israel — against the $1.2bn sought by Jerusalem.

U.S. wholesale prices fall

BY STEWART FLEMING IN WASHINGTON

U.S. WHOLESALE prices in November fell 0.2 per cent from their October levels, the Labour Department reported yesterday, raising hopes that inflation as measured by this index could hit its lowest level since 1964 this year.

The White House, which has been enjoying a flood of good tidings on the economic front in the past few weeks, described the news as "remarkable" and an indication that "we are well on target for the President's programme for sustaining economic growth with low inflation."

The seasonally-adjusted decline in the producer price index, the first since March, reflected substantial falls in both food and energy goods. Capital goods prices were unchanged from the October level, and the index for finished consumer goods climbed only moderately.

Without the seasonal adjustment, the index would have been down 0.4 per cent, the department said. It now seems virtually certain that for the year as a whole, this index of wholesale prices will have risen by less than 1 per cent.

So far this year, the index is up only 0.3 per cent, a modest rise which could, if the December figure shows little change from November, mean that 1983 could be the best year for producer prices since the 0.5 per cent increase in 1964.

Shcharansky has paralysis

BY ANTHONY ROBINSON

THE WIFE of the jailed Soviet dissident, Anatoli Shcharansky, has received an untypically non-censored letter from Christopol jail in which her husband complains of paralysis in his left arm and severe heart problems.

Mr Shcharansky was sentenced to three years' jail followed by 10 years' hard labour in 1977 on charges of spying for the CIA. These were publicly denied by President Jimmy Carter. His health deteriorated sharply after a lengthy hunger strike last year over his right to receive and send letters.

Mr Shcharansky is seen in the West as a symbol of Soviet policy towards dissent. The letter detailing the results of his treatment in jail offers further proof of the current sharp crack-down on dissidence in all its forms.

Democrats give Mondale clear lead

FORMER Vice-President Walter Mondale is maintaining a commanding lead in the race for next year's Democratic presidential nomination, according to yesterday's Washington Post/ABC News poll, **writes Reginald Dale in Washington.** The poll of registered Democrats put Mr Mondale's support at 49 per cent, against 23 per cent for former astronaut Senator John Glenn of Ohio, his closest rival.

Third came Mr Jesse Jackson, the Chicago black activist, with 10 per cent, followed by Mr George McGovern (8 per cent) and Sen Alan Cranston of California (5 per cent) the three other official contenders scored 2 per cent or less.

Most significantly, the poll for the first time showed Mr Mondale running more strongly than Mr Glenn against President Ronald Reagan.

Salvador elections

El Salvador's Constituent Assembly has approved a new constitution which will pave the way for presidential elections next March, writes Tim *Coone in San Salvador.*

Seoul death penalty

South Korea's National Assembly passed Bills providing penalties up to death for capital flight abroad of $6.25m or more, and a maximum penalty of death for such crimes as fraud, embezzlement and breach of faith, AP-DJ reports from Seoul.

Hawke election hint

Mr Bob Hawke, the Australian *Prime Minister, has* hinted that he may call an early general election next year after the defeat in the Senate of plans for a *constitutional referendum,* AP reports from Canberra. A general election is not due until 1986.

Barents Sea dispute

Norway and the Soviet Union failed to reach agreement on Barents Sea continental shelf delineation during five days of talks which ended in Moscow yesterday, our Oslo correspondent reports. A disputed area covers 155,000 square kilometres, with rich oil and gas potential.

Italy back in black

Italy's balance of payments swung back into the black last month with a surplus of L955bn (£400m), making a balance of payments surplus for the first 11 months of the year of L4,262bn, writes James Buxton in Rome.

Finnish-Soviet deal

The Soviet Union and Finland yesterday signed a five-year trade protocol for an annual turnover of goods worth Roubles 5bn (£2.3bn), much of it in barter trade, the official Soviet news agency Tass stated, Reuter reports from Moscow.

Dutch wage cut

The Dutch Parliament has passed a Government Bill for 3 per cent cuts in public sector wages and social security payments in 1984, which earlier provoked widespread strikes by public employees, Reuter re*ports from The Hague.*

Iraq buys helicopters

Agusta, the Italian state-controlled helicopter manufacturer, has signed a contract with Iraq for the sale of military helicopters worth $164m (£115m), writes James Buxton in Rome.

Kohl signal to USSR

The Government of Chancellor Helmut Kohl yesterday renewed invitations to President Andropov of the Soviet Union *and* President Honecker of East Germany to visit West Germany, AP reports from Bonn. The gesture appeared to be a signal that Bonn wants to keep open communication lines with the Warsaw Pact.

Arafat's fighters say goodbye to families

BY PATRICK COCKBURN IN BEIRUT

IN THE Palestinian hospital house in a school basement in Tripoli, wounded Palestine Liberation Organisation fighters loyal to Mr Yassir Arafat were saying goodbye to their families yesterday.

Some 97 wounded men are to leave today on an Italian ship a couple of days before five Greek vessels evacuate 4,000 Arafat loyalists from Tripoli.

Most of the men looked relieved to be going. "They have had their bags packed for two weeks," said a nurse, "but they have to leave their families

There is an air of nervous expectancy among the fighters as they prepare to leave for Tunisia and North Yemen. The battlefront with the Syrian-backed Palestinian dissidents, who started their attack on Mr Arafat's bastion in Tripoli on November 3, was quiet yesterday, apart from the occasional burst of automatic fire.

The overnight attack by Israeli gunboats, the fourth in a week, had caused very little damage, but PLO fighters are still nervous that the Israelis will attack them once they put to sea.

"I am sure that Israel will try to stop the ships," said the leader of a band of fighters

Almost all the shellfire here came from Syrian guns, which sank two ships and reduced two others to burned-out hulks last month. The Israeli attacks, which are almost wholly ineffective, appear designed to satisfy domestic opinion in Israel rather than cause real damage.

People in Tripoli do not expect peace when Mr Arafat departs. "There is still the battle for who rules Tripoli and there will be further massacres," said a local resident.

On Thursday, 20 people died in fighting between the 3,500-strong Islamic Fundamentalist Militia called the Tawhid (Unity), which has been allied to Mr Arafat, and their opponents in the city.

The sector of the city occupied by the Alawi Moslem sect, closely allied to Syria, has seen heavy fighting and much sniping. Women and children have been hit by high-velocity weapons while walking in the streets.

Mr Arafat's allies in the city may have to pay a heavy price when he and his men depart. He has been their main source of arms and finance.

The Palestinian rebels, who now hold Beddawi and Nahr Al-Barid refugee camps, have paid a heavy political price for forcing Mr Arafat to leave. They have acted so closely in concert with Syria that they appear to be surrogates of Damascus.

But for Mr Arafat himself, the future looks bleak. He has lost his last independent base within striking distance of Israel and becomes a guerrilla leader without an effective army.

Relieved though they undoubtedly are that the battle for Tripoli is over, it is not surprising that so many of his new men have a look of despair.

U.S. marine in Beirut rescues Christmas tree from tent hit by rocket fire.

French go ahead with Soviet sale

By David Marsh in Paris

FRANCE IS going ahead with delivering a sophisticated telephone exchange to the Soviet Union in spite of U.S. protests that it could be used for military purposes.

The affair centres on the supply of an MT20 digital telephone exchange by the nationalised Thomson group to Leningrad. It highlights the simmering controversy between the U.S. and its allies over sales of sophisticated technology to the East bloc.

The telephone exchange—which Thomson stresses is being delivered for civil purposes—was ordered in 1979 under the previous French government, and before East-West relations cooled. First equipment was shipped in 1980-81 and deliveries are to continue into 1984.

It caused disagreement between France and the U.S. some months ago at the secretive gatherings in Paris of Cocom. This informal grouping of Western government representatives vet sales of "sensitive" technologies to the East.

Paris officials say the subject has now been dropped from Cocom discussions. "We agreed to disagree," said one.

The French government is playing down the affair and says the disagreement was limited. While keen to honour the contract, *France did,* however, agree to some design changes in the equipment, and has since tightened its own export prosecures.

Cocom—which groups all the Nato countries except Iceland, plus Japan—has been meeting regularly to work towards redefining lists of proscribed materials. These are due to be completed next year. The Reagan administration has been criticised by some European governments and industrial organisations for trying to tighten controls on civil equipment such as oil and gas drilling technology.

Representatives this week have been tacking the thorny issue of defining what types of civil computer equipment may contain technology capable of being used by the Soviet military.

Up to now, attention has mainly focused on *the* risks of diversion into the military field of computers themselves. Now, experts are worried about the possible *misuse* of sophisticated components increasingly contained in routine consumer projects such as home video games and recorders. Greater stress is also being placed on controlling passage of software.

Ozal reorganising Turkish civil service

BY DAVID BARCHARD IN ANKARA

MR TURGUT OZAL, Turkey's new *Prime Minister,* has unveiled the most far-reaching reorganisation of the Turkish civil service for more than half *a century.* No *governmental* economic agency has been left unaffected.

The shake-up is part of Mr Ozal's administrative reorganisation which has already cut down the number of departmental Ministries to 14 and greatly expanded the power of the Prime Minister's Office, where seven Ministers of State have been appointed to handle major long-term policy.

Mr Ozal has now set up a new Under-Secretariat for Treasury and Foreign Trade Affairs. All foreign trade transactions will be *handled* by *this* new body, in what is evidently an attempt to cut through the red tape hindering exporters and importers in Turkey.

The new Under-Secretariat will be headed by Prof. Ekrem Pakdemirli, formerly of the State Planning Organisation, and one of Mr Ozal's ablest lieutenants. He is expected to be one of the most important figures in the management of the Turkish *economy* after the Prime Minister and Deputy Prime Minister.

The Finance Ministry, on the other hand, has now been reduced to an agency for the collection of Government revenues and has been merged with the Ministry of Customs.

This appears to be Mr Ozal's bid to break the power of an extremely powerful and conservative Ministry which fought hard to resist his earlier reforms, in particular the opening-up of the economy to foreign investment, after 1980.

The central bank and the non-service state economic enterprises have been attached to the Prime Minister's office, and Mr Ozal will also have responsibility for supervising the affairs of the banking sector.

Mr Mesut Yilmaz, one of the new Ministers of State, said that loss-making state-sector industrial enterprises might be sold off to the public. There was no question of state intervention to bail ailing industrial state economic enterprises out of their debts, he added.

France set to halve trade deficit

BY DAVID HOUSEGO IN PARIS

The French Government seems within comfortable reach of cutting by half this year the substantial trade deficit incurred in 1982.

A small deficit of FFr 1.5bn (£125m) for November on a seasonally adjusted basis announced yesterday brings the cumulative 11 month trade gap to FFr 42.15bn as compared *with a deficit of FFr 86.37bn* for the same period in 1982. The total deficit last year was FFr 93bn.

The November trade gap follows an even smaller deficit of FFr 893m in October and a surplus of FFr 323m the previous month.

Exports rose by 17 per cent in November to FFr 66.99m (seasonally adjusted) as compared to *a year ago* while imports rose by 6.9 per cent to FFr 68.58bn. The strong growth in exports reflects the gain that *French companies are now ob*taining from the strong dollar.

The slowdown in imports since March seems to be stablising however, as consumer demand flattens out. Import prices have also been pushed upwards by the depreciation of the franc against the dollar.

On uncorrected figures imports rose to FFr 69.28bn and exports to FFr 65.81bn leaving *a deficit of FFr 3.47bn.*

It was also announced yesterday that the number of unemployed rose sharply in November *by 62,800* over the *previous* month, representing an increase of 3.1 per cent. The total of unemployed rose to 2.097m on a seasonally adjusted basis.

W. German central bank steps in as dollar gains

BY JOHN DAVIES IN FRANKFURT

THE BUNDESBANK, the West German central bank, intervened heavily in currency markets yesterday as the U.S. dollar gained further ground.

One senior market dealer estimated that the central bank may have sold more than $400m (£266m) in spot and forward markets to stem the dollar's advance.

At the official fixing in Frankfurt in the morning, the dollar reached DM 2.7713, its highest fixing level since January 31, 1974.

The U.S. currency later almost touched DM 2.78, but central bank intervention helped to bring it down to about DM 2.7730 at the *close* of trading.

The Bundesbank has been intervening virtually every day this month, with particularly heavy sales of dollars this week. While it has been happy to see West German exporters obtain a competitive edge through a rising dollar, it has become more concerned lately about the likely effect on some import prices.

The central bank declined to give details of its dollar sales in the U.S. on Wednesday, other than to confirm that it made sales through commercial banks.

Market officials said the Bundesbank had sold dollars through U.S. commercial banks —a highly unusual step, as it normally deals through the Federal Reserve Bank of New York or West German commercial banks.

European fighter project will cost over DM 50bn

BY JAMES BUCHAN IN BONN

CHIEFS OF the five largest West European air forces yesterday laid the basis for a fighter aircraft that could be one of largest military co-operation projects ever.

Air chiefs of staff of Britain, West Germany, France, Italy and Spain yesterday signed an agreement on their common requirement for the Future European Fighter Aircraft (FEFA) that should go into service in 1995 and involve investment of well over DM 50bn (£12.7bn).

The basic agreement, signed at Cologne military airport, all but buries the prospect of any of the air forces taking a ready-made U.S. fighter and opens the possibility of a co-operative European defence aviation industry on the pattern of the civil co-operation brought about by Airbus.

The 'Outline European Staff Target," signed for the UK yesterday by Air Chief Marshal Sir eKith Williamson, envisages a single-seat, twin-engined fighter of 8.5 tons with the ability to land and take off in such limited spaces as damaged airfields or highways, and within a distance of 500 metres. They will also have the facility to be refuelled in the air.

The aircraft's ability to bomb targets on the ground (ground attack) is to be firmly subordinated to is role as fighter (air superiority), officals say. Nevertheless, with the help of radar and electronics, it should be able to hit targets with an accuracy of 85 per cent from a distance of 90 km.

The target is 800 aircraft, with Britain, West Germany and France taking more than *200,* and Italy and Spain sharing the remainder.

After the extravagant cost overruns on the Anglo-German-Italian Tornado, officials were most unwilling to name cost ceilings. But it is hoped that development costs can be kept under DM 10bn (£2.5bn) at today's prices and that the system price (aircraft plus spares plus extras) will not exceed the DM 80m (£20m) of each Tornado now being made in West Germany.

Officials are most encouraged by the commitment of France, which dropped out of the Tornado project, but warn that co-ordination between five countries could be far more difficult than with the three-country Tornado.

Talks will now be held with the various industries on design possibilities and the division of labour.

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Foreign data pact approved by Bundesbank

By John Davies

THE BUNDESBANK, the West German central bank, has formally approved an agreement under which the country's banks *will provide regular data* on the activities of their foreign susbidiaries.

From the end of next years, banks will provide every month details of each foreign subsidiary's balance sheet, as well as its lending to clients outside West Germany. The lending data will be broken down according to countries and currencies.

The measure will affect 33 West German banks with 61 subsidiaries abroad.

The *banks* agreed to give data on a voluntary basis, hammering out the agreement in talks with Bundesbank officials.

The central bank asked for detailed information as part of a long-running campaign for tighter supervision of the extensive activities built up by West German banks abroad, notably in Luxembourg.

Nakasone ahead in final poll

By Jurek Martin in Tokyo

The last and, according to some observers, the best Japanese public opinion poll, yesterday gave considerable comfort to Mr Yasuhiro Nakasone, the Prime Minister, and his ruling Liberal Democratic Party on the eve of tomorrow's general election.

The Asahi newspaper forecast that the LDP was likely to win 278 seats in the 511-member Lower House, a loss of only eight from its standing in the previous parliament.

Since the LDP is expected to drop some seats because of its *exceptional* performance in 1980, such a small setback, if realised, would be widely interpreted as a personal triumph for Mr Nakasone.

No other poll has projected that the ruling party would do so well, though the Yomiuri newspaper and Kyodo, the domestic wire service have forecast that a "stable" majority of more than 270 seats is likely.

The Asahi poll predicted few changes in the parliamentary strength of the individual factions that make up the LDP. This would mean that the faction beholden to *former Prime Minister Kakuei* Tanaka, convicted in the Lockheed payments case two months ago, would remain the *largest single* element in the ruling party.

The only party expected to make substantial gains is Komeito, the Buddhist grouping though Asahi's forecast of 49 seats, a gain of 15, is below that of other polls.

Most other parties, including the Socialists, are projected as small net losers.

John Griffiths analyses the possibilities in a takeover for a British truck manufacturer

Seddon sees clearer road ahead if Spain takes the wheel

THE UNCERTAINTY which has hovered over Oldham truck manufacturer Seddon Atkinson for more than a year, following the decision of financially-sticken International Harvester to sell it, should be over soon.

"Should" because so far Enasa, the Spanish state-owned maker of Pegaso trucks, has signed only a letter of intent to acquire it. Mr Donald Lennox, IH's chairman, said in Chicago it could be another month before an agreement, even in principle, is reached on the sale.

Presuming it is finalised, the consequences for both Enasa and Seddon are likely to be considerable, providing Seddon with possible entry to the European distribution network on which Enasa is expecled to spend some $35m (£24.8m) prior to Spanish EEC entry. For Enasa, there will be immediate access to Seddon'a 44-strong dealer network in the UK. Of most significance for both in the longer term will be shared components.

For International Harvester, it should get the American truck and agricultural equipment maker off the the last of the hooks obstructing its retrenchment into North America as the sole scene of its truck and truck engine making.

Ironically, the other main hook was Enasa. Until May last year IH controlled Enasa. This arose from plans in the late 1970s to become a pan-European truck and truck engine manufacturer, using as its twin springboards Enasa and Seddon Atkinson — which it required for £10m in 1974.

Earlier this year it disengaged itself from a third European truck manufacturer hy disposing of its one-third shareholding in DAF of tha Netherlands.

Now Enasa, apart from planning to acquire Seddon, is close to signing a deal with DAF. This is for the joint development of a truck cab whicb, if the Seddon deal is completed, could logically be used by Seddon as well.

Enasa ranks itself as a medium-sized truck producer but it far ontranks in size Seddon Atkinson. It expects to produce abont 15,000 vehicles this year while Seddon, hadly hit hy the UK commercial vehicles recession, expects to huild only about 2,000.

Mr Gerry Woodhead, managing director of the Lancashire truck company, would not comment yesterday on the likely prospects facing Seddon under Enasa's ownersbip. There are long-term implications for the type of trucks Seddon produces at preseot—all over 16 tons—bnt IH's withdrawal will have negligible effect on operations. Seddon trucks are more than 90 per cent UK sourced. IH components, mainly engines, are used in only a small part of the trucks range.

PRODUCTION

	Enasa*	Atkinson Seddon†
1979	15,052	4,716
1980	15,550	2,943
1981	11,975	1,353
1982	13,527	1,821

* Includes vans light trucks, buses and coaches. † 16-ton plus truck output nnly.
Source: Society of Motor Manufacturers and Traders Spanish vehicle markers' association.

Enasa has made clear it would want to take no step which migbt threaten Seddon's image as a UK truck-maker.

"Seddon is a good company with good products." Sr Jnan Llorens, Enasa's deputy managing director said: It wonld be kept structurally separate and managed from within the UK.

He makes clear that in the event of a takeover Enasa would he quick to inject funds to bring the UK company back to health. Seddon has had three years of losses, closures and cuts whicb have seen the company's workforce reduced by two-thirds to 660. No value bas been put on the possible Enasa purchase but IH said recently Seddon's net worth had fallen below £4.5m.

Unlike Seddon, Enasa produces light and medium vans, most weight sizes of trucks, busea and coaches and military vehicles. It could be expected that it would wisb to market some, at least, of these vehicles through Seddon's UK network.

Enasa bas begun laying the groundwork for its European sales network. It has signed up several dozen dealers and is preparing to set up import companies, or contract importers, for the main European markets.

It has been a consistent heavy loss-maker—Pta 14bn (£61.8m) in 1980, though steadily reducing—but is being heavily underpinned hy INI, the Spanisb state holding company, on the basis that it is one of Spain'a relatively few indigenous vehicle manufacturers still having strong in-house research, development and engineering abilities.

Next year Enasa is to receive from the Government a further Pta 12bn as part of efforts to restructure and modernise key industries.

Enasa expects tn make a pre-tax profit next year, of about Pta 1bn.

In spite of Enasa's in-house abilities, Sr Llorens makes quite clear its future lies in collaboration and component sharing. As part of this strategy, it is undertaking the manufacture of West German ZF transmissions under licencc.

Disposal of Seddon will still leave IH with a substantial agricultural equipment operation tn Europe, with plants hased in the UK, France and West Germany.

Post Office profits drop by £3m in first six months

BY JASON CRISP

POST OFFICE profits for the first six months of the financial year fell slightly from last year'a record levels in splte of increases in turnover and improved productivity.

The main reason for the drop, says the Post Office, was the freeze on the price of second class mail which last went up in February, 1982.

Postal business made a £31m profit on a turnover of £1,380m in the half year to September 28, 1983, compared with a £34m profit on sales of £1,272m in the same period the previous year.

Profits for the full year are also expected to be less than last year's £129m in spite of the bonus effect of the busy Christmas period in the second half.

The Post Office says it expects to beat its profit target of three per cent on turnover —which would be about £85m if it continues to grow at the same rate as it did in the first six months of the year.

The volume of letters rose by 2.3 per cent in the first six months. Productivity is rising at 2.8 per cent a year, says the Post Office.

Parcels business rose by 4.2 per cent with 2,000 new contract customers signed np in the last 12 months.

Mr Michael Corby, director of the Mail Users' Association, said yesterday: "The productivity improvement had been credible but the MUA is most concerned at the amount of indnstrial disruption. We would not wish to see any weakening of management resolve to improve productivity.

"There is ample scope for further improvements and the programme of the last year ahould be considered a norm rather than tbe exception."

The association said that profit and traffic figures indicated that postal prices shonld be held beyond April 1984. "We look to the Post Office for an early announcement to that effect," said Mr Corby.

But yesterday the Post Office would only reaffirm its commitment to hold prices until the end of the financial year. It claims that the quality of service has improved and that during the period 88.6 per cent of first-class mail was delivered the following working day after collection. This compares with a target of 90 per cent.

Industrial disputes have resulted in loss of business and in the Shepherd's Busb area of London collection and deliveries bave been suspended. The postal service has also been affected by changes in some of the large London postal offices.

The Post Office has continued to lose business on its counter activities because of government economies. It wants to spend £400m on capital projects over the next few years. The main items of expenditure are mechanisation of sorting officea, putting up new buildings and refurbishing old ones, computerisation of counter services and re-equipping the large vehicle fleet.

National Girobank's pre-tax profits rose £1m to £9m in the first six months of the financial year, and turnover rose from £103m to £112m. Full year profits are expected to be about the same as last year's £16m.

Guardian hands over leaked cruise note

Financial Times Reporter

MR PETER PRESTON, editor of The Guardian, has banded over to government lawyers a secret document on cruise nuclear missiles whlch had heen leaked to the newspaper.

Tbree Appeal Court judges yesterday ruled thet national security required that the bighly placed government official who passed on the memorandum, which was later publisbed, should be traced and removed nrgently.

Lord Justice Griffiths said: "So long as he is unidentified be remains a serious threat to our national security.

"I regard lt as urgent that every possible step should be taken to identify this untrustworthy person and remove him from the position wbere be has access to classified material."

The court rejected a plea by The Guardian that it was entitled to protect its anonymous source from being identified by markings on the document.

The newspaper bad been sent a pbotostat of the memo. It bad been sent hy Mr Michael Heseltine, the Defence Secretary, to the Prime Minister and to government departments dealing with bow public information was to be bandled wben the missiles arrived at Greenham Common, Berkshire.

The appeal judges confirmed an order made by Mr Justice Scott requiring The Guardian to hand over the copy.

Sir John Donaldson, Master of the Rolls, said national security required that the untrustworthy public servant wbo who mishandled such documents should be "identified at the earliest possible moment and removed."

In the ruling, Lord Justice Griffiths, said: "It is, in my view, clearly estahlisbed that it is necessary, in the interests of national security, that the source from where it came should be identified."

The facts revealed a serious state of affairs. Someone in government service with access to classified material was untrustworthy and there was possibly a breach of the Official Secrets Act.

Mr Preston said he was "very disappointed" at the outcome and was considering an appeal to the House of Lords.

Before taking this step lawyers would need to consider conflicting jndgments on the law relating to the confidentiality of journalists' sources.

Another factor would be the cost. The costs so far were bigh "even hy legal standards."

PSBR may exceed latest target

BY PHILIP STEPHENS

THE GOVERNMENT'S public sector borrowing requirement seems certain to he at least the £10bn forecast by the Treasury for the current finaocial year and may be bigher.

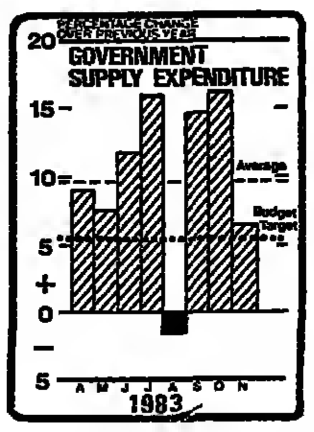
Treasury statistics yesterday show that a £1.7bn rise in BSPR in November brought the total for the first eight mooths of the fiscal year to £8.8bn.

That figure compares with an £8bo target set In the Marcb Budget, and a revised estimate of £10hn for the full year made by Mr Nigel Lawson, Chancellor of the Exchequer, in his autumn statement.

City analysts who had suggested that Mr Lawson was unduly pessimistic said last nigbt they aaw little chance of an out-turn helow £10hn.

James Capel, the hrokers, kept their forecast unchanged at £10.5bn. Greenwell, and Phillips aod Drew hoth predlcted a figure in line with the Chancellor's forecast.

The Treasury described November's figures as "consistent" with the autumn statement. It said the traditional pattern of tax flows pointed to a low PSBR in the final months of the fiscal year.



Heavy corporation and schedule D tax payments usually give a negative PSBR in January, while the consumer hoom is expected to feed through in the form of higher rerenues from value added tax.

However, the Government could take little comfort from the figures for its spending in the first eight months.

Outlays since April are nearly 10 per cent above 1982 levels although the rate of growth in supply expenditure, which hroadly represents departmental spending on programmes, slowed in November.

The Government target of 5.5 per cent growth for the year appears all but hopless.

Whitehall officials pointed to distortions in the figures caused by payments to the EEC and last year's 11 per cent uprating in aocial security payments.

Even with these remored the underlying increase is still 8 per cent.

The Government hopes that the £600m public spending cuts announced in July will he felt more strongly in the next few months, to bring the final spending total closer to target.

Call to end youth scheme competition

BY ALAN PIKE, INDUSTRIAL CORRESPONDENT

MR TOM KING, the Employment Secretary, is being asked hy the Manpower Services Commission, to remove 16-year-olds from the Government's Young Workers Scheme.

This provides state subsidies for employers if they take on scbool leavers at moderate pay. MSC officials regard it as an important reason for the shortfall in recruits to the Youth Training Scheme this year.

If Mr King agrees, the workers scheme would become a means of nffering subsidised jobs to young people wben they bave completed their year of training and work experience on YTS.

That would end competition for recruits between the schemes and overcome criticism that there is no training element in YWS.

The workers scheme has been viewed with suspicion by trade unions since its inception because the Government regards it as a mechanism for reducing youth pay rates.

Emoloyers receive subsidies of £15 a week for young employees whose gross earnings are £42 or less, and £7.50 for those earning £42 to £47.

Most early payments under the scheme were made for young people employers would have recruited in any case. Tbe Commons Public Accounts Committee this week said that if this factor remained high, and YWS did not achieve a downward influence on youog people's wages, the scbeme would be "largely ineffective."

In a second letter to Mr King, the MSC asks if some of the estimated £120m being saved because of the shortfall in YTS recruits can be diverted to the commission's Community Programme for the long-term unemployed.

YTS recruitment has been a fifth below expectations. Allocation of places on the Community Programme, however, is slowing through lack of funds. The commission wanls ahout £15m of the saving.

Demand for inquiry into Green syndicates

By John Moore, City Correspondent

AN UNDERWRITING member of the Lloyd's insurance market has called for an investigation into the trading relationship of two insurance syndicates under the management of Janson Green, the agency company beaded hy Sir Peter Green, Lloyd's chairman.

The call for the investigation was first made to a member of Lloyd's ruling council. Mr Ian Hay Davidson, Lloyd's chief executive, has been notified of the matter.

The underwriting member has alleged that a large syndicate under Janson Green management—number 932—traded with a much smaller insurance syndicate—number 941—also under the same management, in a way in which the smaller syndicate gained benefit.

It is understood that the smaller syndicate, comprising fewer than 30 members, has been absorbed into the mnch larger ayndicates under the Janson Green management. However, Lloyd's has been asked by the underwriting member for a full investigation into the affairs of syndate 941.

Lloyd's recently announced that syndicates in the market which allowed preferred underwriting should be banned. Steps are being taken to ensure that the practice is stamped out.

TUC delegation to press for A-320 aid decision

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A DELEGATION from the Trades Union Congress Nationalised Industries Committee is to meet Mr Norman Lamont, Minister for Industry, on Monday to press for speedy government decisions to support the launch of the proposed Airbus A-320 airliner project.

The delegation will be led by Mr Ken Gill, chairman of the committee.

It will argue that British Aerospace and Rolls-Royce more than three months ago collectively sought £500m in launch aid from the Government: £400m was sought by BAe for Airbus wings and £113m by Rolls-Royce fnr the new international V-2500 engine; and that no responses have yet heen forthcoming.

The delegation will say that the Government is putting the aerospace industry's future at risk by delaying its decisions on such launch aid.

The Government, in turn, has stressed that it wants more time to consider the implications of such aid before making any commitments. A decision bas been deferred until next year.

The view is gaining ground in industry that the chances of winning launch aid for the V-2500 engine are stronger than those of British Aerospace getting the full amount for its share of the A-320 airframe.

The cost of supporting the V-2500 engine is less while its market prospects appear stronger. The engine could also be used in new derivatives of such aircraft at the U.S. Boeing 737 and McDonnell Douglas MD-80 airliners.

One possibility heing considered in the aerospace industry is for British Aerospace to raise part of the £400m it needs from sources other than the Government.

BAe is understood to have discussed with several City merchant banks the possibility of raising part of that sum,

Paint company chief quits

BY DAVID DODWELL

MR KEITH CUSHING, managing director of Donald Macpberson, the paint-maker, resigned yesterday following differences of opinion on the board.

Mr Cushing, who bas held his position for abont ten years, yesterday refused to coment. Mr Jeremy Colson's the group's finance director, said the departure had been perfectly amicable.

Macpberson makes Cover Plus paints for F. W. Woolworth and has heen hurt hy its stock reductions. The company nevertheless reported in August that inthe 26 weeks to May 1 this year it had managed pre-tax profits of £74,000 compared with first half tosses last year of £390,000. Sales rose by about £3.5m to £53.11m.

The company announced just over a week ago that as part of its rationalisation programme it had reached agreement to aell its wholly owned subsidlary in Northern Ireland for £80,000.

Mr Cushing's resignation takes effect immediately. The company said the question of compensation was being discussed.

Sybron and Gamlen win £87m damages

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

DAMAGES TOTALLING $124m (£87.4m) bave been awarded in the Higb Court to Sybron Corporation, the U.S. financial conglomerate, and Gamlen Cbemical Company (UK), its Englisb subsidiary, the victims of a massive fraud conspiracy masterminded by "a commercial genius."

This is believed to he the largest sum of damages ever awarded by an English court.

The award was made yesterday against companies and individuals connected with the Rochem group, the worldwide operations of which, in competition with Gamlen, are contrnlled from headquarters in Zurich.

Theree years ago the High Court held that Rochem had heen formed in a conspiracy hy Gamlen employees to trade in competition with Gamlen. Yesterday Mr Justice Walton, who tn 1980 ordered an inquiry into the amount of damages suffered by Sybron and Gamlen, said it bad been no nrdinary con-

"It was a conspiracy masterminded by a commercial genius —Mr Thomas Bove—wbo was apparently untrammelled by any cooslderations of morality or legality whatsoever."

The judge said the conspiracy encompassed virtually the whole of the top management of Sybrnn's chemical cleaning operations, conducted through Gamlen subsidiaries, in England, The Netherlands, West Germany and Italy, together with a large slice of the top management in the relevant division of Sybron in the U.S.

It had involved the conspirators, who had set up Rochem wbile still employed by Gamlen, in diverting to Rocbem the customers of Gamlen.

The full extent of tbe conspiracy bad only become known during the 90-day trial tn 1980, the judge aaid.

So successful were they that in nnly 2½ years, wben virtually the whole of the husiness transacted by Rocbem was filched from Gamlen, they ohtained a 6 per cent share of the estimated market.

Judge will intervene in NUM pensions stalemate

A HIGH COURT judge is to he asked to break the stalemate which bas blocked proposals to invest funds helonging to the miners' pension scheme.

The differences have arisen between members of the scheme's management committee.

On one side are Mr James Robertson Cowan and four other membera appointed by the National Coal Board.

On the other are Mr Arthur Scargill of the National Union of Mineworkers, president; Mr Lawrence Daly, general secretary of the union; Mr Mick McGahey, Scottish president; Mr Emlyn Williams, Welsb president, and Mr Raymond Cbadburn, Nottinghamshire president.

They are asking the court to decide whether a proposal to invest assets in the U.S. should be adopted by the management committee and implemented. The proposal was embodied in a paper prepared for a committee meeting convened for December 12.

Directions are also being sougbt for completion nf the accouots of the peosion scheme for the year to September 30, 1982.

In the High Court, Mr Justice Harman yesterday gave directions to file written evidence in the bope that the case, said tn be of the "greatest nrgency," can be beard on Monday.

Hanson Trust turns back to the clay from which it built expansion

Ray Maugham examines the background to the £170m bid for London Brick

HANSON TRUST is going back to its roots. With the £170m bid for London Brick it announced on Thursday evening, this energetic industrial holding company is aiming to return to the industry which from the early1970 provided the platform for its spiralling expansion.

Until the long series of U.S., and latterly UK, acquisitions which began at the end of 1973, banks and property were producing two-thirds of Hansan's profits.

Recent acquisitions have told the stock market to suspend commercial logic and trust that Hanson knows how to run industrial businesses and to sell surplus assets.

Hanson had not made a battery before acquiring English Ever Ready for £100m in December 1981—but it has put it on to a strong growth path by rationalisation and aggressive marketing.

The group bad not sold a jacket or a skirt in Britain befnre its £280m takeover of UDS Group last April— yet it has made the most of the disposals of UDS's core multiple retailing operations and retains only the department store businesses.

Mr Jeremy Rowe, London Brick's chairman, will fight thia battle to the last but he cannot claim that Hanson is ignorant of the brick industry.

Hanson, then known as Wiles, acquired the brickmaking and engineering group Butterley for £4.5m in December 1968 using Slater Walker Securities' 17.7 per cent stake in Butterley as a base. Soon after Butterley's engineering activitites were sold to Oxley Industries for £842,000, leaving Hanson set for further expansion in the brick business.

Given the way some fast moving conglomerates were going in the late 1960s, it was commonly assumed Wiles would merely strip whta cash lt could out of Butterley and run its assets into the ground. Events proved the doubters wrong.

Hanson has added more capacity to Butterley by acqulsition even if the scale of its takeovers in the UK building materials market has been positively dwarfed by the group's later manoeuvres into other sectors.

After a figbt with Ibstock Johnsen, Wiles Haoson bought National Star Brick and Tile for £1.39m late in 1970 and augmented its brick production with the purcbase of aeven plants from the British Steel Corporatioo early in 1972. Stnce then, other than the £1.5m acquisitioo of Wilkinson, the Yorksbire brick manufacturer, at the end of last year, Hanson has built its brick businesses organically.

Hanson does not break down its individual divisioos either by assets employed or return on capital. But it is possible to see that the group bas invested beavily in this industry to the point where, with Ibstock, it has become the leading manufacturer in the non-fletton facing brick industry.

Before central charges and tax, Butterley's profits last year grew from £5.9m to £7.8m in the year to September. Hoare Govett, Hanson's broker, beliaves that its contribution this year will reach £8.5m.

Other brokers calculate that a reasonable return in this business might be 20 per cent which suggests that Hanson has assets worth at least £40m invested in the hrick industry.

If Hanson wins and London Brick makes about £23m before tax this year, bricks will once again become the largest of Hanson's profits centres.

Its adversary is a mucb bigger brick manufacturer. It bas a monopoly position in the fletton brick industry—a rare advantage endowed by the low-cost, bigh-strength qualities of the carboniferous clay found near its brick plants in the arc that spans Devon and Humberside.

But it was London Brick's ambitioos in the non-fletton facing brick market that opened the door to this offer. London Brick bld last December for Ibstock—and snrvived a Monopolies Commission report in the process—because it felt the best way to enhance brick usage in competition with other building materials would be to create a widely spread brick manufacturing business with a foot in eacb of the standard and high quality product camps. Price alone finally persuaded London Brick to drop its interest in Ibstock.

As a non-fletton facing brick manufacturer (with 20 per cent of its market) bidding for the sole fletton producer, Hanson is merely adopting the mirror image of this argument.

Two themes dominated London Bricks ambitions in this decade. The first was to reduce its cost base and its cumbersome propensity to over-produce. It bas shed more than 2,500 jobs since 1980 in closing several plants, notably the Ridgmont works in Bedfordshire, where 1,100 jobs went. It now appears more at ease with the supply/demand equation.

Since it declded to drop the Ibstock deal, lts second theme was in adding non-fletton facing brick capacity by plecemeal acquisition and internal investment.

Conversion of a clay pipe works near Huntingdon aod Thnrsday's acquisition of non-fletton capacity in Southend and Lancaster are the latest examples of a change of tactic that has brougbt London Brick's sbare of this specialist market up to about 8 per cent.

Taking in Butterley's own 20 per cent market segmeot, London Brick is even beginning to wonder, disingenuously, wbether the Monopolies Commission ought not to take yet another look at the UK brick market, the third in about 15 years.

Chip mal cannot us Stringfell brand nar

THE OWNER of a fash London nightclub yc won his High Court b stop a frozen-food produc ing chips nnder his McCains, the oven-read company, can no longer brand name Stringfell their new, loog, thin cb Justice Whitford ruled.

He suspended his ordc ever, for 12 weeks, to giv for hundreds of tons of chips to he sold hy McCa for an appeal to be cons

Stringfellows, a club restaurant in St Martin's was described by the ju one of London's top thr Peter Stringfellow, of House, Marylebone, and fellow Enterprises, his pany, brought the action McCain Foods (GB), of horough, and Reeves l shaw Needham, of Kens their advertising agents.

The judge dismisse claim against the adve agents, ordered an inqui damages and awarde Stringfellow his costs.

Brent Labour Party in further setback

LABOUR has lost oicre on Breot Council, London, following Th night's takeover by the and Liberals. The latest to Brent Labour Party when the tormer chairm the council's social s committee, Mr Laurie announced his resignation the council.

He said: "I am resi because I condemn and wi tolerate physical disrupti council meetings, whateve provocation."

The resignation means election in St Andrew's

Kent food centre to create 100 jobs

MORE THAN 100 jobs w created in Kent's new enter zone now Gravesham Di Council and a food distrib company have completed to build a computer-contr complex at Spring Head e prise park near Northflee

Clark St Modwen, of Ba Under-Needwood, near Bu on Trent, will start work o centre next month. It wi fully operational by Septen

The 91,000 sq ft unit occupy six acres of the 2S estate. The council says ano 20 smaller units of about sq ft will be built soon. Information technology ce will move in. The counc completing details with ano developer for several 30 sq ft units over seven acre

Liverpool-imported timber 'to double'

IMPORTS OF timber thro the Port of Liverpool are to double this year, Me Docks and Harbour Board yesterday.

Several large shipments due to arrire in the speciali terminal at Royal Seaforth d complex before the end of year. So far 257,000 tonnes hardwood and softwood h arrived, compared with 139, throughout last year.

Burnley Evening Star ceases publication

THE Burnley Ereniog Star, Lancashire newspaper launch in 1965, ceases publicati today with the loss of 68 jo Its circulation has slump from more than 30,000 wben started to 16,000.

The Thomson-owned pap circulated in the Burnl Pendle and Rossendale are Its sister Lancashire Eveni Telegraph will replace it the news-stands.

Consultant appointed to shop-hours inquiry

THE Institute of Fiscal Studi has heen appointed econom consultaot to the governme inquiry into reform of sho hours legislation.

It will examine the economi consequences of allowin Sunday tradiog and late-nig opening of shops, including th impact on prices and on job A report will be prepared fo the Government's committee c inquiry by the end of nex April.

BBC's cable partner in U.S. named

THE BBC's cable partner in the U.S., to buy its programmes will be the Arts aod Entertainment Network (A and E), to be launched on February 1.

The network is a new basic cable channel formed by a merger between the Entertainment Channel, a joint veoture of RCA Cable and Rockefeller Center Cable, which ceased operation in March and Hearst/ABC Video Services' Arts, owned jointly hy Hearst Corporation and ABC Video Enterprises.

ICL directors

ICL's SEVEN non-executive directors were paid between £1,000 and £5,000 in the year to September 30. An article in yesterday's Financial Times stated incorrectly tbat two received hetween £65,000 and £105,000.

NUJ cancels strike order

BY DAVID GOODHART, LABOUR STAFF

THE National Union of Journalists has withdrawn a strike instruction to its 12 members working on the Richmond and Twickenham Times pending an appeal to the House of Lords in its dispute with the company.

The union's seven-member emergency committee took the decision in the light of Lord ...ck's comment that leave to appeal would not be granted as long as the union remained in contempt of the original injunction against strike action.

The journalists at the centre of the dispute with Mr David Dimbleby, chairman of the paper group, said last night they would not return to work. Ms Joanna Davies, Mother of the NUJ Chapel said that they would decide over the weekend how to continue the dispute.

Their decision will not affect the union's position at national level and the Lords appeal will still go ahead on January 31. But the 12 journalists could now face the sack because they no longer have the protection of a union instruction.

The journalists' strike started when, after a dispute with the National Graphical Association, Mr Dimbleby transferred printing work to TBF (Printers) of Nottingham. The company is an associate of T. Bailey Forman, publishers of the Nottingham Evening Post, with whom the NUJ has been in dispute for five years over the sacking of journalists involved in a pay (office branch), said last night dispute.

Although the courts have accepted that the dispute with T. Bailey Forman is legitimate, the Court of Appeal upheld the recent ruling that TBF (Printers) was a separate legal entity, and thus the NUJ strike in Richmond was unlawful *secondary action.*

That decision surprised many observers since the two companies are under the same legal control with the same managing director, premises, address and telephone number. The NUJ is confident of winning the appeal, which is one reason why the strike instruction has been withdrawn despite previous readiness to continue *unlawful action* and *risk fines and* sequestration.

TUC left responds to NGA call

BY JOHN LLOYD, INDUSTRIAL EDITOR

LEFT-WING union leaders were yesterday eager to respond to the National Graphical Association's call for a coalition of unions within the TUC aimed at coordinating opposition to the employment acts.

The left-wingers believe that the majority decision on the TUC's General Council last Tuesday to limit support for the NGA to lawful action betrayed the letter and spirit of the resolutions adopted at the TUC's Wembley conference last year. The grouping will be dedicated to keeping alive the "spirit of Wembley."

The Wembley resolutions, especially the fifth or "Wembley Five," promises support to unions which deem themselves to be *struggling against the* employment law—although, as Mr Len Murray, TUC general secretary has argued, that support is conditional on the dispute being thought winnable.

The linchpin of the attempt to overturn the General Council majority will be the Transport and General Workers' Union, whose strongly Left-wing executive is implacably hostile to the Conservative Government's employment legislation.

Mr Joe Wade, the NGA's general secretary, is expected to telephone Mr Moss Evans, his opposite number at the TGWU, this weekend to arrange a meeting of Left-wing leaders next week.

These leaders deny that their grouping threatens the unity of the TUC, or that it presages a split in TUC ranks. Leaders on the Centre *and Right of the* TUC are, however, alarmed by the prospect of more internal wrangling

● Heavy fines were yesterday imposed on demonstrators involved in the mass *picketing* of the Messenger print works in Warrington *on* November 30.

Six pickets who admitted using threatening words and behaviour were each fined between £200 and £250 plus costs by Warrington magistrates. Another 13 were fined £40 each plus costs after admitting obstructing the highway.

● The Newspaper Publishers Association announced yesterday that there will be no national Sunday newspapers on January 1 and blamed the *decision on a demand by the NGA* for a new agreement on bank holiday working.

Bank unions take step towards merger

BY DAVID BRINDLE, LABOUR STAFF

THE FRESH initiative has been taken to start merger talks between the two *main* unions for bank staff.

The non-TUC Clearing Bank Union, which has 93,000 members, has approached the 150,000-strong Banking, *Insurance* and Finance Union, which is affiliated to the TUC, with outline proposals for a joint organisation.

Bifu is due to decide its response at a meeting of its national executive in February. But Mr Leif Mills, the union's general secretary, said yesterday that much would rest on the attitude of the CBU to Bifu's planned half-day strike in the main English clearing banks next Friday.

Bifu has called for a walkout by its 80,000 members in the high street banks in protest at the banks' decision to stay open all day on that date, the last trading day before Christmas. The CBU sympathises with the cause, but is not expected to support the disruption.

The two unions have been trying to grasp the merger nettle for some time. Their failure to start talks in the past was partly because the CBU would not enter into a preliminary dialogue before both sides got round the table.

The initiative, then, represents a concession to Bifu, which had wanted the other union to set out in general terms the sort of structure it would envisage after a merger.

Left-winger tipped for NUM post

By Our Labour Correspondent

MR PETER HEATHFIELD, secretary of the North Derbyshire area of the National Union of Mineworkers, is now the clear favourite to succeed Mr Lawrence Daly as the union's general secretary. Mr Heathfield, a left-winger, has won the nomination of 11 of the union's 16 areas.

Area nominations are a guide to the feelings which will be fully expressed in a pithead ballot next month. Mr John Walsh, a right-wing opponent of Mr Arthur Scargill, the union's president, has been nominated by Lancashire and Cumberland, but not by his own Yorkshire area.

A third candidate, Mr Les Kelly, has been nominated by his own North Wales area.

● Mr Scargill yesterday called for 15 new pits to be opened in Scotland. Speaking on a visit to Polkennet colliery he warned that half Scotland's 12 pits were under threat of closure.

Mr Scargill said he had found "tremendous support" among the miners at the pit for the overtime ban against the National Coal Board's 5.2 per cent pay offer.

Food shop staff get 5.9% rise

ABOUT 500,000 shop workers covered by the Retail Food Wages Council will receive a 5.9 per cent pay rise from next April.

Top-grade shop assistants' statutory minimum pay will go up by £4 a week from £69.50 to £73.50 for those working in the London area.

Toy factory dispute ends

A FOUR-MONTH dispute over union recognition at the Lefray toy factory in Aberbeeg, Gwent, ended yesterday after 28 hours of talks at the Advisory, Conciliation and Arbitration Service.

Under a six-point deal the 42 women workers who were sacked after a one-day strike will get their jobs back and the Transport and General Workers Union, which represents them, will be recognised by the company.

Bids and more bids

LONDON
ONLOOKER

Company chairmen seem to have been indulging in a veritable orgy of desk-clearing ahead of the coming festive season. The market has been bombarded with full year and interim results while a string of bids and deals have come across the news wires at a breathless pace.

The Eagle Star battle—though it has developed the snail's pace of a soap opera—rolled on for another couple of half-hearted punches. Allianz topped up its offer by £20m to £920m, or 665p a share, and BAT immediately trumped it with an even higher offer of 675p a share. Allianz is expected to return next week. At some point soon one or other will surely use the term "final offer."

BAT and Allianz may have size but for audacity Hanson takes some beating. Late on Thursday it confirmed two months of City speculation with a £170m cash offer for London Brick. The price of 120p cash is hardly a knock-out against a market value of 104p before the offer and if London Brick makes profits of £24m this year the exit p/e is little more than 10.

However, Hanson has launched an attack with 9.6 per cent of London Brick already in its name and it is awash with cash following the partial sale of its UDS assets, bought earlier in the year. Also London Brick has helpfully demolished part of its defences with its own hands. As a monopoly supplier of UK fletton bricks, London Brick successfully argued with the Monopolies Commission, at the time of its aborted bid for Ibstock Johnsen, another brick maker, that fletton and non-fletton bricks are entirely different markets. No doubt Hanson, with its own non-fletton business, agrees wholeheartedly.

Other "deal" highlights of the week included ICI's placing of its 19.9 per cent stake in Vantona Viyella—a legacy of the days when it took a substantial holding in Carrington Viyella. So keen is ICI to divest that it is willing to pay buyers stamp duty. Another old favourite bid situation to hit the headlines was the THF/Savoy. THF has bought a further 4 per cent of the Savoy from Warburg Investment Managers, but remains well short of voting control.

Finally the £56m Trident/Pleasurama casino merger has been blocked by the Monopolies Commission.

Midland bombshell

Midland Bank dropped a bombshell on Thursday night which obliterated months and months of effort to improve its City image. Crocker National Bank of California, a 57 per cent owned subsidiary, has made a $107m charge against its final quarter because of problems with property and agricultural loans. Crocker will be in the red for the year and is cutting its dividend.

For Midland the provisions will chop pre-tax profits this year by £75m and clip 15p off earnings per share. In terms of the balance sheet the episode is not a disaster but the damage to Midland's reputation will go deep. The Crocker acquisition looks increasingly ill-timed while Midland's subsequent arms-length management role has quite clearly been inappropriate.

And from GEC

The FT 30 Share Index was just nudging another peak on Monday lunchtime when GEC dropped its own brand of bombshell. Profits in the six months to September 30 fell by £8m to £285m. Hopes that the group would make over £700m in the year to March were dashed and GEC's price tumbled by 17p to close at 176p, wiping £466m from its market capitalisation and *turning* market sentiment on its heel. By the end of the day the 30-Share Index was 3.4 points down at 753.7.

The setback has been caused by a weaker income stream from GEC's cash mountain even though it had grown by £360m to £1,477m over the year. In theory that should have offset lower rates of return but interest receivable fell from £72m to £56m. The real damage has come from the gilt portfolio where opportunities to make quick profits were harder to find.

In the comparable period GEC was making an annual return, including book gains, of 27 per cent on its £150m of short gilt holdings. This time round the return was down to 10 per cent on £185m and to make matters worse £100m has been switched into indexed stocks.

Outside the world of making money from money, GEC's operating divisions have been dented by lower deliveries of power generating equipment and sluggish telecommunications sales. Profits from the former fell from £37m to £25m while telecommunications ended £8m lower at £36m.

While the problems of power equipment are evident in a sales collapse from £377m to £313m caused by lower turbine orders, telecommunications managed to keep up its overall sales figure at £350m. Yet that masks a significant downturn in deliveries of older technology main exchange switching gear. And it could be well over a year before System X puts that division back on the growth path.

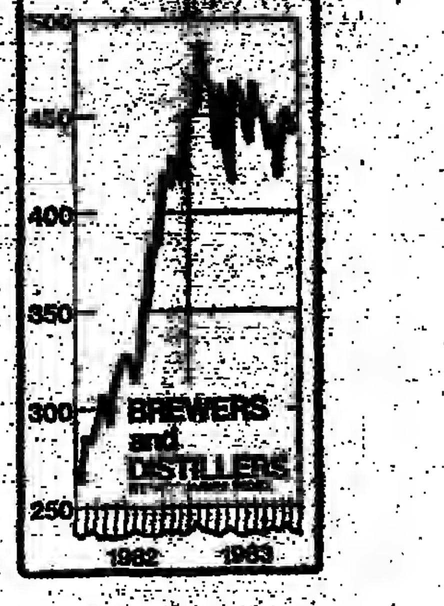
More deals

After much dithering at the altar the tripartite marriage of Slough Estates, the country's biggest property developer with Allnatt London Properties and its sister company Guildhall Property, is about to be concluded.

Last October Slough disclosed that it was in talks with the two smaller industrial developers. The Allnatt/Guildhall camp had long been considered the most eligible of takeover targets while Slough had been their most widely tipped suitor.

Yet after four weeks around the table the companies were unable to settle terms and talks were abandoned. So it was with some surprise that the market learned that talks were back on again this week and a day later that terms had been agreed. In a package of cash, loan stock or shares Slough is paying nearly £100m for the two.

And the terms look shrewd from Slough's point of view.



The cash alternatives are so attractively pitched — 245p for every Allnatt share and 163p for Guildhall — that Slough clearly wants all shareholders, but the accepting directors to take the money. If they do the bidder's net asset value per share holds steady around the 180p level. If everyone were to take paper the NAV would slip to 175p, not much of a fall admittedly but in the property market NAV reigns supreme.

Hung-over?

We have almost reached the end of the brewery results season and, by and large, figures so far have lived up to best expectations. Yet share prices have refused to reverse their drift downwards. Brewery watchers in the City seem to be sitting in two camps with views poles apart. To judge by the market the pessimists have the upper hand.

That is not surprising. For years investors, and indeed the brewers, have been preoccupied by beer volume and now, after a long period of decline, partly because of the recession and partly changing consumption patterns, the brewers are saying that volume isn't really that important anymore. What matters is getting the most profit from their "leisure retail outlets." For those not up with the latest brewers' jargon that means their pubs. The optimists agree with them.

Pessimists like Peter Temple of brokers Hoare Govett insist, however, that the sector is mature with limited growth prospects. In 1983 the brewers had almost everything going their way: buoyant consumer spending, favourable weather conditions, lower interest charges, the benefits of previous rationalisation and good occupancy rates in the hotel divisions. They will be lucky to enjoy those conditions again next year.

Profits during 1984, the argument continues, are unlikely to show anything more than modest increases. Peter Temple's final blow is to liken the industry to the tobacco sector of 15 to 20 years ago—a mature sector, experiencing falling demand with an increasing tendency for diversification, not all of it successful.

It is a view unlikely to find many friends among the brewers. But even the sector's *fans admit* that it could take some time before investors start to appreciate the strengths of the "pub" as a growing profit centre, no matter how many pints cross the bar.

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1983 High	1983 Low	
F.T. Govt. Secs. Index	82.34	− 9.43	83.70	77.00	Sterling/interest rate fears
F.T. Ind. Ord. Index	759.3	+ 2.2	760.2	598.4	Resilient despite weak pound
Albion	19	+ 6	20	5	Annual profits recovery
BOC	293	+33	295	170	U.S. buying
Baker Perkins	123	+23	123	83	Interim profits recovery
Beechwood	17	− 9	34	17	First-half loss
Bishop's Group A N/V	210	−20	275	80	Booker McConnell agreed bid
Bulmer (H. P.)	238	−32	328	198	Warning on second-half trading
Claremont Petroleum	123	+18	136	32	Chairman's annual review
Cons. Gold Fields	478	−40	635	460	Easier precious/base metals
England (J. E.)	19	− 6	29	16	Acquisition talks off
FII	179	+25	185	67	Comment on anti-rhinitis device
Flexello Castors	40	+ 9	40	23	Encouraging trading statement
GEC	178	−15	250	172	Disappointing int. results
Kraft Productions	200*	+65	285	20	Speculative demand
London & Liverpool Trust	28	− 7	350	24	Nervous market
London Brick	135	+31	136	62	Hanson Trust bid 120p per share
Plaxton's (GB)	227	+52	230	148	Bumper profits/scrip issue
Utd. Scientific	318	−50	491	318	Disappointing 2nd half figures

* Price at suspension

Fears about inflation

NEW YORK
W. HALL

FEARS about rising U.S. interest rates have hung like a dark cloud over Wall Street this week. Against a background of increasing uncertainty about U.S. monetary policy investors have been taking their profits and moving to the sidelines.

This week's economic news has left few people in doubt that the U.S. *economy* is booming. The November retail sales figures rose by 1.9 per cent, more than twice as fast as the experts had been forecasting, leading to a growing concern that the U.S. authorities might raise interest rates to curb the expansion.

For most of the week U.S. interest rates were moving higher. The yield on three-month Treasury bills had risen by 30 basis points by Thursday evening and the closely watched Treasury long bond price fell below 100 for the first time for many weeks and its yield climbed above 12 per cent.

The equity market's nervous mood was not helped by the comments of Dr Henry Kaufman, Salomon Brothers' economic guru, who forecast that inflation would rise from its current level of 5 per cent to 7 per cent over the next 12 months and the Fed funds rate, which holds the key to U.S. short term interest rates, would rise above 10 per cent by mid 1984.

Only three months ago the Dow Jones Industrial Average looked set to break through the 1,300 level but by Thursday evening the index had shed more than 50 points from its all-time high of 1,287.20 on November 29 and share prices were heading towards the bottom end of the 1,220 to 1,270 trading range of the last four months. Investors are not saying that all the fun is over but after Wall Street's heady advance over the last 15 months, caution is the order of the day until the interest rate picture is clarified.

Aside from having to digest the uncertain news from the economic front, investors were also treated to one or two nasty surprises from the corporate sector, American Express, the high flying financial supermarket which has been one of the strongest performers over the past year, announced on Monday that its Fireman's Fund Insurance Company subsidiary would post a loss in its final quarter which would hit the parent company's earnings with the result that after 35 years of uninterrupted earnings growth (helped by a bit of creative accounting occasionally) the mighty American Express is going to report its first earnings decline in most investors memory.

Admittedly its net income will only be down 10 per cent or so to around $2.60 per share but investors are having second thoughts about American Express. Its glamorous Warner Amex cable venture is not doing at all well and it is still far from clear whether it did the right thing when it bought Mr Edmond Safra's Trade Development Bank for a very fancy price last year.

American Express shares fell $3.375 to $28.875 following the news and there has been heavy trading activity with the company dislodging AT and T as the most active stock on the big board on two days of last week.

Another pillar of the financial sector, Crocker National Corporation, also released nasty news this week by taking a $107m charge off on its Californian real estate and cutting its dividend in half. This sent the shares $5 lower to $24.5 which is particularly bad news for Midland Bank which not so long ago was paying $90 a share for the privilege of taking a majority stake in Crocker. Wall Street analysts believe that Crocker's problems are more the result of poor management than a signal of serious real estate problems for west coast banks generally. Analysts still believe that the main problems for U.S. banks are overseas in those countries which are having problems paying their debts.

Citicorp, the industry leader, is one of the most exposed and its shares have been under a cloud for some months. It was no surprise this week to see it buying another ailing savings bank in Chicago this week—in the biggest ever deal of its kind. There are many investors who believe they would be doing much better with their Citicorp shares today if Mr Walter Wriston and his team had concentrated on doing more business in their own backyard rather than gallivanting off to exotic countries like Brazil and Argentina to look for business.

MONDAY	1261.59	+1.53
TUESDAY	1255.89	−5.70
WEDNESDAY	1246.45	−9.24
THURSDAY	1236.79	−9.66
FRIDAY	—	—

UK CONVERTIBLE STOCK 17/12/83

Statistics provided by DATASTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates♣	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Conv¶	Income Div♡	Cheap (+) Dear(−)◇ Current
British Land 12pc Cv 2002	9.60	317.50	333.3	80-91	3.8	0.3	−3.3	− 5 to 4	45.0	59.8	−4.8	+ 7.8
Hanson Trust 9½pc Cv 01-06	81.54	268.50	107.1	85-01	3.7	0.2	−4.0	−12 to −4	167.5	73.3	−32.7	−29.7
Slough Estates 10pc Cv 87-90	5.03	261.00	234.4	78-84	3.8		−6.4	−12 to −5	6.7	0.8	−2.4	+ 4.0
Slough Estates 8pc Cv 91-94	24.72	117.00	97.5	80-88	6.8	5.2	0.3	− 1 to 8	21.7	24.9	−2.8	+ 2.0

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness. ♣ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

money mine

"Y'KNOW mining's never been an easy game," he said, thoughtfully, "what with with the difficulty of finding the ore in the first place and, usually these days, miles from where you'd like it to be, and then living with various technical problems and being stuck with a single product in a market which can go out of control.

"Not to mention politicians who think that mining is just the same as any other business," he added as an afterthought.

"Tough," I said, noticing the way the gold bracelet on his Omega glistered as he replenished the Veuve Clicquot in our cut glasses.

"Yes," he said, unaware of any suggestion of irony in my remark, "and these days we have to live with currency changes that can make or break. Sometimes I wonder whether it is exchange rates and not gold that I am mining."

Before we all burst into tears it is only fair to point out that while what he said was only too true there is also, of course, a brighter side to mining. Especially as far as the currency angle is concerned.

MINING

KENNETH MARSTON

Take the strength of the U.S. dollar, for instance, and the weakness of the South African rand. Gold is sold for dollars and so despite the decline in the dollar bullion price this year the dollars obtained for gold sales have been worth more in terms of rands and the revenue received by the South African mines has therefore kept up quite well.

Thus most of the gold mines in the Consolidated Gold Fields group have been able to declare maintained interim dividends this week. By the same token, the country's diamond and platinum exports are also benefiting from the favourable exchange rate.

Of course, when a country's currency rises in value this has the opposite effect on export income and that is why the Australian mining share market was looking a little jittery a week ago on the news that the country's dollar was to be allowed to float freely. In other words the Australian dollar has been artificially held back and was expected to move up against the U.S. dollar.

But on Monday the share market regained its aplomb and moved forward on Tuesday. What bad been overlooked was that in the previous five weeks or so other world currencies, including the U.S. dollar, of course, bad been moving up against the Australian dollar.

When the latter was floated this week it merely began to catch up but made littlo progress against the U.S. dollar whicb continued to go even higher. So there were no fireworks and it is generally agreed that the decision to float the Australian dollar was sensible and the timing was just right.

Another aspect of a rise against the U.S. dollar is that it makes it that much easier to repay loans that were taken out in U.S. dollars, an important factor for the Australian mining industry which has had to borrow heavily to finance its expansion.

According to the Australian Mining Industry Council (AMIC) capital spending on mining and refining assets Down-Under in the year to last June amounted to an awesome A$3.31bn (£2.09bn). This year it is expected to fall to A$2.35bn, partly because many of the big projects are now completed, or nearly completed, and partly because of cantion about future market prospects.

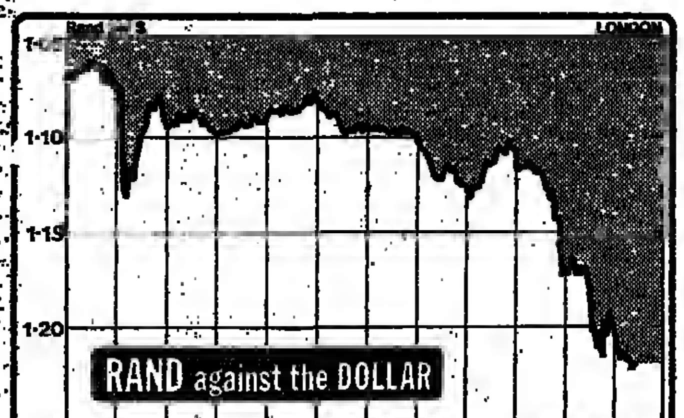
The Australians thus have the important advantage of a great deal of new and largely paid for facilities in their impressive natural resource industry. What remains to be aeen is how well they will use them, bearing in mind the labour problems that have already blunted much of the country's competitive edge.

● Still making losses, Canada's natural resource major, Noranda Mines, is cautiously hopeful about 1984 prospects. Mr Alfred Powis, the chairman, says that the key to the company's performance next year is an upsurge in North American capital investment and economic recovery in Europe.

Europe, he points out, uses more copper than North America. At present world copper prices are around 67 cents (U.S.) per lb and Noranda does not intend to reopen any of its closed mines until the price reaches the 80 cents to $1 level. Even the usually optimistic Mr Powis cannot see this happening in 1984 on the present indications.

● South Africa's marginal Loraine gold mine in the Orange Free State is considering a further expansion in annual ore production from 1.6m tonnes to some 2m tonnes in an effort to reduce unit costs.

A rise in the gold price would make all the difference. Any significant rise, bowever, seems unlikely while money continues to be attracted to the rising U.S. dollar and firm U.S. interest rates.



Infested with magpies

BY OUR LEGAL STAFF

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Our neighbourhood has become infested with magpies. Even though it is a residential area, my neighbour has expressed an intentioo to rednce the magple population with a pellet gun (.177 or .22 calibre). Could yon please clarify certain points about this proposed course of action? (1)—Is a licence of any kind required for the use of such a weapon? (2)—Are magpies classified as vermin? (3)—What restrictions are there on the nse of a pellet gun in a residential area?

I heartily share my neighbour's dislike of this particular bird, but I donbt whether bis intended course of action is legally as simple as be appears to think it. An air gun does not at present need a licence, whether .177 or .22 calibre. However it is an offence to have a loaded air weapon in a public place and also to discharge a firearm within 50 feet of the centre of a highway, and this may considerably restrict the use of such a weapon in a built-up area. Magpies are not specially classified as vermin nor are they protected birds, except that they may not be sold alive.

Discovering a death

I am sole Trustee of my late father's Will Trust, under which my brother and I each receive a one-half share of tho income for our life-terms. I have one son. My brother has no issue. On my death my son will be entitled absolutely to one-half of the trust fund. On my brother's death, should he die without issue surviving him, my son will become absolutely entitled to the other one-half of the Trust fund. I am anxions to ensure that on my brother's death that I am notified as Trustee so that I (or any other Trustee I appoint) can claim for my son. Unfortunately, my brother is not proving co-operative in letting me know the name of his Solicitor or Executor. I am most concerned as to what action I can take to make certain that my son's inheritance dependent on my brother's dying without issue, is not lost. Can you please advise me as to what course of action I should pursue?

So long as you insist on a signed receipt for cash payment of income made to your brother you will learn within a reasonably short time of his death should the executor fail to notify you earlier.

Stamp duty on a house

I understand that there is a method wbereby it may be possible to avoid stamp duty on the purchase of a bouse. Could yon give me brief details and yonr opinion as to any probable pitfalls.

The method which you have in mind is probably the use of a contract to grant a lease at a premium consisting of most of the purchase price followed by a conveyance to the "lessee" of the freehold for a small consideration, thus effecting a merger. Not all conveyancers agree on the efficacy of this scheme; and it appears not to have been before the courts.

A golden handshake

If, in a year or two's time, an employer says he will give the employee £3,000—will the employee bave to pay tax on it? Would it be best to have this in writing now?

On the bare facts, tbe employee would be fully taxable on the £3,000 and the employer would have to deduct PAYE tax.

If the promise is put in writing, care must be taken to avoid wording the promise in such a way as to render the employee liable to pay tax oo the £3,000 (by direct assessment) before he or she actually receives tbe money. The employer will doubtless consult his accountant; it is up to the employee to decide whether be or she is justified io spending money on independent professional advice, but we guess that such expeoditure is unlikely to prove to bave been worthwhile.

A disputed boundary

I have a problem regarding a disputed boundary at the side of my bouse and I wish to know my rigbts.

The original dispnte was raised back in Janoary 1969 wben Mr H (the then owner of my bouse) moved the fence over abont 2 feet and Mrs P next door complained of trespass. The solicitors acting for the parties could not reacb an agreement as to wbere the boundary should be as Mr H insisted that be was moving the fenco back to where it originally stood years before. The original file plans apparently could not clarify the situation.

Mrs P sold the house next door in July 1969 and the copy letters we have seem to suggest that the new purchaser, Mr W accepted the new boundary althongh nothing was registered officially anywhere.

Mr H sold his bouse in July 1972 and Mr C, the new purchaser, lived there peacefully until Mareb 1982 when be sold his house to me.

Mr W next door moved out in August 1982 and the new purcbasers are now ordering me to straighten the boundary back to its "original" position. Their argument is based apparently on a copy letter they have from Mr W to Mr C dated October 1981 stating that be agreed with Mr H back in 1970 that the boundary could remain where it stood on certain conditions. This letter incidentally was not inclnded in tho batch of papers passed over to me wben I bought my bouse from Mr C. My neighbours, through their solicitors, say this is a "voluntary licence" and therefore revocable by my new neighbours.

I understand that if a fence is moved and remains undispoted for 12 years it becomes legal and overrides any deeds etc. From the date of Mr W's purchase to the date of the letter is 12 years 2 months, although the letter refers to an agreement, supposedly made in 1970. Assuming there is no other written proof of agreement, is this letter invalidated by the fact that it relates to events over 12 years before? If there is a legal precedence for a case like this I would be pleased to know the refereoce.

If there are no grounds for dispute and I am in the right how do I apply to register a possessory title so as to avold any fnrther disputes of this nature.

During the original dispnte in 1969 the two parties apparently examined a plan of the original conveyance of my house ot the time of the development in 1934. I have beeo trying to trace these papers through my boilding society, the land registry and the local council and they appear to have been lost. Is there any other way of obtaining a copy of these papers as the existing filed plan is the usual small scale national grid plan (wblch does not contain any measurements of conrse)?

I thank yoo for any belp you are able to give me concerning this matter.

The law relating to boundaries and to agreements or statements which might have effect as licences is complex. On balance, we think that the copy letter dated 14 October 1981 does not disclose sufficient to enable Mr C to rely on Mr W's having effectively prevented time from running under the Limitation Acts. We think therefore that you should be entitled to keep the fence in its present position. There is no way to trace the original deeds if you now have a registered title.

Where to go with your roll-up money

THE DECISION tree gives a simplified but comprehensive guide for the investor in the off-shore roll-up funds whose privileged tax status will be ended in two weeks.

Previous articles, in particular that on December 3, have discussed individual investment alternatives. But it is now clear that none gives the same combination of attractions offered by the roll-up funds.

These are a high post-tax rate of return, neglible risk and the absence of penalties on withdrawal. The solutions mentioned in the tree are those which come closest to matching the attractions of offshore roll-up funds.

One fund, Lazard Brothers' Sterling Reserve Fund, has cheekily sought to exploit a loophole in the new regulations which may allow it to extend its tax privileges for another year.

It has announced proposals to bring the fund onshore just a few days before the end of 1984. The Government has said that investors in funds moving back to the UK before 1985 will not be affected by the new regulations.

However, to allow investors to redeem their shares without incurring an extra tax charge, the fund may then be put into liquidation. Alternatively, Lazards could arrange for an outside third party to buy back the shares.

But this course of action is fraught with difficulties, bolb technical and political. In particular, the Inland Revenue has so far only given an outline of the new rules.

*It could easily close the loop*hole as part of the draft legislation for the 1984 Finance Act, although investors will have to put their money in the fund before the end of the month.

Those who leave their money in the Lazard fund, or switch into it, take the risk that the scheme will come unstuck and they will be taxed on their returns at their top marginal rate. As Graham Barker, of the Rothschild Old Court International Reserves says: "If a fund comes hack into the UK to die, the Inland Revenue may say that it was never resident."

The decision-tree assumes you have decided not to try and squeeze out another year of tax avoidance in an offshore roll-up fund. It also assumes you are a UK taxpayer. If you are not, your most attractive low-risk investment, both before the demise of the roll-up funds and after, is either a high coupon short-daled gilt or the National Savings investment account.

Another factor not taken into account is the ease of access to your money. A bank or money-market fund chequing account, or your building society branch around the corner has the edge here. But then they also had the edge over the offshore roll-up funds.

Life assurance policies have been exctuded because, in spite of their tax advanlages, they are normally risky in hte sense that the range of possible returns from them is wide—and they certainly cannot he cashed in without penalty when the money is needed.

Since the launch of index-linked products, investors are obliged to make forecasts not only about future interest rates hut also about future inflation rates in order to pick the product *offering the highest return.*

As professional economic forecasters disagree among themselves on these issues, any forecast will be something of a gamble. But in generat, where a realistic choice is available, the investor wishing to minimise the risks that the purchasing power of his savings will be eroded hy inflation, should assume a higher, rather than a lower, inflation rate and go for index-linked products.

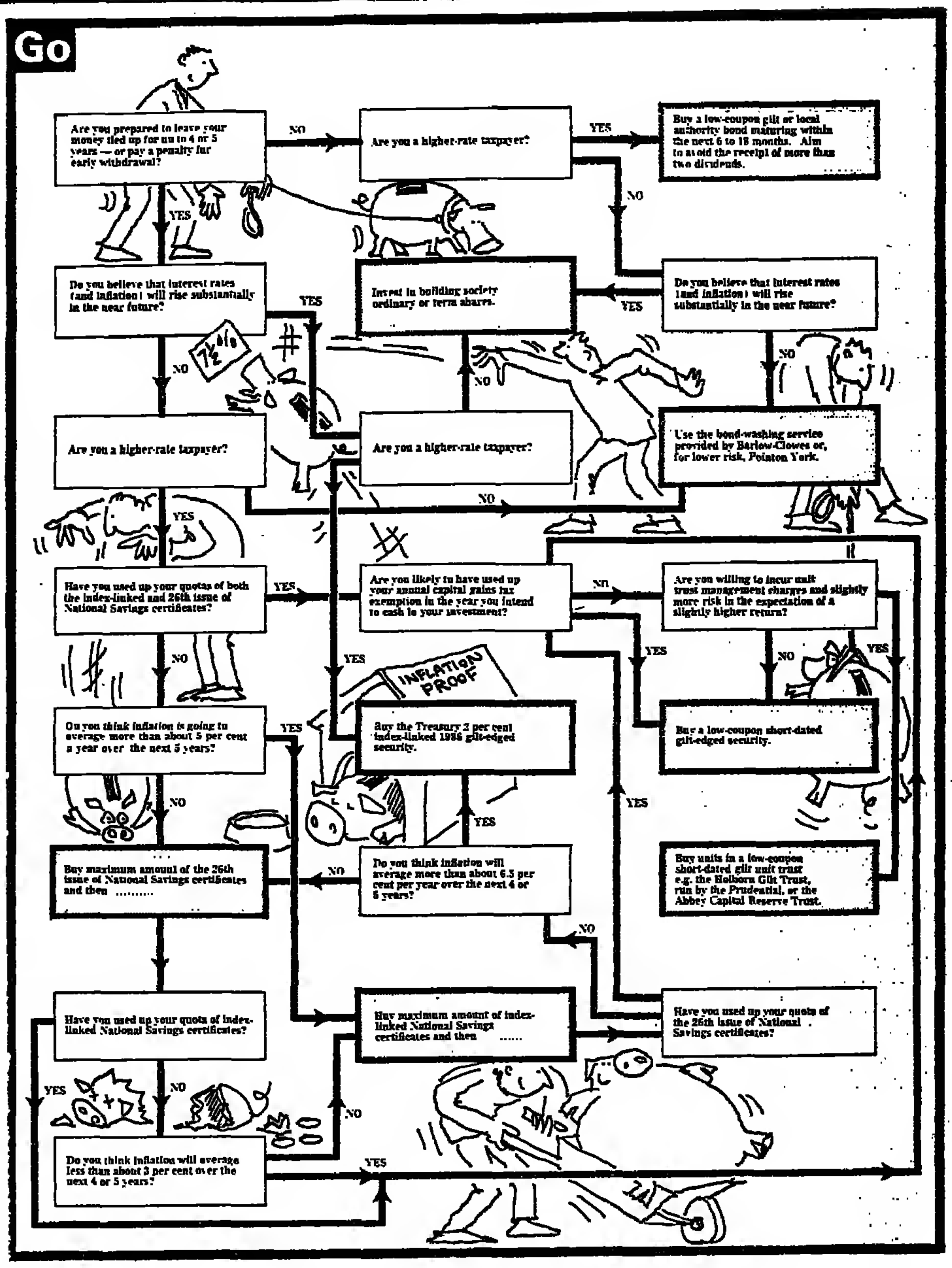
A final point to bear in mind is that, although all the investments mentioned in the decision tree are of low risk, a higher rate taxpayer whose marginal rate is above 30 per cent will have to take on slightly higher risks, or sacrifice liquidity, to achieve an acceptable rate of return.

This arises from the nature of the main tax sheltered investments available to him, National Savings certificates and low-coupon gilt-edged securities.

Barlow Clowes, Warnford Court, Throgmorton Street, London EC2. Tel.: 01-588 0838.

Pointon York, 140 Piccadilly, London W1. Tel.: 01-409 2843.

Clive Wolman



FOREIGN STOCK MARKETS

Eastern promise

DAVID DODWELL surveys the prospects for the smaller Far Eastern markets while, opposite, CHARLES SMITH looks at Japan on the eve of an election.

THE MOVEMENTS of the markets in distant and exotic spots like Singapore, Jakarta and Kuala Lumpur may be a mystery to many private investors in the West. But that ought not to be a reason for staying away from them, according to Jardine Fleming, the Hong Kong-based merchant bank jointly owned by Jardine Matheson and Robert Fleming.

And to put money where its mouth is, the company last week flew its leading investment managers in Asia into London to whet the appetites of investors for opportunities in East and South East Asia.

Few could be better qualified for the task. The company employs 300 people throughout the region—180 of them directly involved with investment—and manages funds amounting to more than £875m.

The message they had for potential investors was not one of unmitigated optimism. Their managers talked of more political uncertainty than at any time since the 1960s. But they argued strongly that opportunities in oriental markets were as attractive as anything to be found closer to home.

In Australia, which has tha company's second largest Asian portfolio after Japan—marginally ahead of Hong Kong and Singapore — Jardine predicts economic recovery from the slump of last year, with 2 per cent GNP growth this year, and faster growth still in 1984. With interest rates falling, inflation brought back into single figures and wage demands being trimmed, Jardine sees a revival in exploration for Australia's natural resources. Oil and gas stocks and industrials are at present their favoured investment sectors.

Hong Kong is destined to be an uncertain market as long as discussions over its future beyond 1997 are in progress in Peking. However, there has been strong economic recovery over the past year with exports up by 48 per cent between October 1982 and this year. Devaluation of the Hong Kong dollar has also enhanced export competitiveness.

Mr Lawrence Chui, Jardine's research and investment manager in Hong Kong, said that if it is eventually decided that Britain will have a negligible presence in the colony after 1997, then "in the long term, the performance of the economy and the stock market may be below the average of the past 20 years."

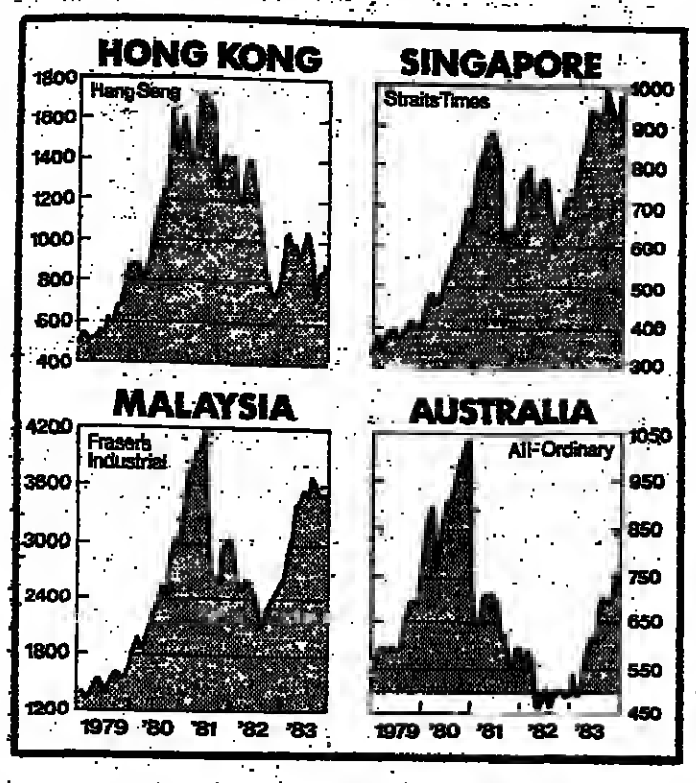
He added, however, that the local Chinese, keen to make as much money as possible before the economic climate deteriorates, may induce strong growth in the short term. The Hang Seng Index is currently 50 per cent below the level of two years ago and at least 20 per cent below what Mr Chui regards as "a realistic level." Best growth prospects are in utilities and manufacturers, with banks and properties remaining flat.

Singapore and Malaysia are expected to remain among the fastest growing in the world. Malaysia's stock market has grown by 1,400 per cent over the past 10 years, according to Mr Alan Gibbs, investment manager for south-east Asia. *This compares with 740 per* cent in Hong Kong and 700 per cent in Japan.

While both markets are likely to pause in the months ahead after a bull market which began in March, strong growth is expected in the medium term, with plantations, banks and marine industries likely to be the best performers in the portfolio.

Other markets in the region have so far attracted little investment interest. The stock markets in Thailand and Indonesia remain small and inaccessible to foreign investors, while political turbulence and economic troubles in the Philippines make it a market to avoid at present.

SAVINGS OFFERS



Japanese jitters

SECURITY DEALERS in Tokyo are noted for their schizophrenia, but the last three months or so have been a particularly trying time for the profession. The Nikkei-Dow Jones index, regarded as the standard indicator of the performance of the Tokyo market, hit an all-time peak of Y9,563 in October after a year a sustained price rises.

Since then, politics, in the shape of the guilty verdict on former Prime Minister Kakuei Tanaka in the Lockheed bribery affair, has dragged down prices by 150 points and kept dealers in an uneasy state of suspense.

This conld grow worse next week if the Liberal Democratic Party loses a substantial number of seats in the general election scheduled for tomorrow, and if this, in turn, seems likely to threaten the position of Prime Minister Nakasone Yet, while the political pointers remain glooming, the economic pointers seem to be growing steadily more favourable.

Janan's economic recovery, which depended to a worrying extent on exports during the first half of the current fiscal year, has become more broadly based in the past few months as demand has picked up inside the country. Corporate profits, which slipped badly during most of 1982 and the first half of 1983, now seem to be reviving rapidly.

A glance at the major participants in the Tokyo Stock Exchange suggests that there is a chance of some of the main groups of traders becoming more active in the market in the next few weeks.

Domestic Japanese investment trusts stayed curiously quiet in early 1983 bnt should hy now be flush with funds and ready to step in as buyers.

Private Japanese investors, who constitute the biggest single group of market participants, should stay active in the New Year—if only because they are likely to he flush with savings and short of places to put them—and the taste for speculation never dies.

That leaves the foreign investors, who accounted during the first ten months of 1983 for 18.8 per cent of all transactions in the Tokyo market and are often regarded as an indissolnble monolith by Tokyo share analysts who attempt to forecast their behaviour. The truth is that at least three major groups are involved—the European based bonds which have dominated foreign trading in Tokyo in recent years, the South East Asia based investors and the American pension funds.

Of the three, European investors turned cautious in the late summer of 1983 after buying strongly during the early part of the year while South East Asians continued buying longest. The U.S. funds were heavy net buyers of Japanese stocks in the middle and late summer.

Whether Japan proves a profitable home for UK private investors in 1984 depends to a large extent on whether these foreign institutional investors decide to push the Japanese market back onto the remarkably consistent upward track of the last 20 years.

NON-EQUITY MANAGED FUNDS

Playing with funny money

CLIVE WOLMAN examines whether currency fund managers are able to beat the markets

MANAGED CURRENCY FUNDS

Fund Manager & Fund	Value of Fund (millions)	Date of launch	Results of £1000 invested and held for ‡ One Year	Two Years	Three Years
BRITANNIA INTL. INVESTMENT MANAGEMENT					
Britannia Managed Currency Fund	£24.7	9.80	1137	1339	1630
Britannia Dollar Managed Currency		10.82	984.7	—	—
BROWN SHIPLEY TRUST COMPANY (JERSEY)					
Brown Shipley International Currency Fund	£0.8	4.82	1161.24	—	—
GUINNESS MAHON FUND MANAGERS (GUERNSEY)					
Guinness Mahon International	£16.9	5.80	1403.5	1623.7	1987.03
HILL SAMUEL INVESTMENT MANAGEMENT INTL.					
Hill Samuel Managed Currency Fund	£42.4	6.82	1257	—	—
SCHRODER UNIT TRUST MANAGERS INTL.					
Schroder Managed Curreney	£3.4	12.81	1161.48	1310.42	—
YANBRUGH FUND MANAGERS					
Vanbrugh Currency Fund	£65.0	5.81	1103	1329	—
RBC INVESTMENT MANAGERS					
RBC International Currency	US$14.7	12.82	1181	—	—

‡ On an offer to offer basis, with income accumulated
Year is to 1 November

Compiled by: Sue Hopkins, Editorial Research

ONE OF the most common questions that non-City folk like to ask financial journalists is. "What is going to happen to the pound ?"

Unfortunately, not only do financial journalists have no great skill in forecasting movements in the foreign exchange markets. But it's very difficult to find anyone else who has either.

A study published by the City University Business School earlier this year produced further evidence supporting a charge that has been made several times over the last five years—that exchange rate forecasting services could do just as well by relying on the toss of a coin.

The continuing rise in the price of the dollar in the last few months in spite of the widespread view of UK forecasters and investment managers that it was already over-valued, highlights the difficulties of getting the currency markets right.

It also shows that the risks of investing in a currency fund are probably as great as those of a general equity unit trust. If sterling rises sharply, the losses can be large.

But managed currency funds claim to be able to beat the market. Their managers are paid not just to buy a spread of foreign currencies and to leave them in the hope that they will rise against sterling. They are expected to keep switching between different currencies as market conditions change.

But do the funds succeed in adding any value by their trading? To find out, we looked at the performance of the three largest currency funds, managed by Vanbrugh, Hill Samuel and Gninness Mahon International.

We compared the performance they actually achieved during the last 11 months with what they would have achieved if they had left untouched the spread of currencies held at the start of the period.

The figures we used showing the total return on currencies (both money market interest rates and any exchange rate gains or losses) were supplied by stockbrokers Phillips and Drew.

The results show that all three added to their return an extra 3 to 3½ per cent. Comparisons over two years also suggest that the managers of Guinness Mahon and Vanbrugh added value.

Even two years' performance is not sufficient to distinguish fully between good management and good luck. However, longer-term comparisons are difficult to make, as currency funds only came into being after the abolition of exchange controls four years ago.

The Vanbrugh fund is managed as part of the £1bn international portfolio of the Prudential life assurance group. The fund managers treat decisions about which foreign stockmarkets to invest in and decisions about currency exposure separately.

According to director Keith Bedell Pearce: "In the long terms it is difficult to get currencies right. We make short-term tactical decisions."

Whereas the Vanbrugh fund invests entirely in bank deposits, Guinness Mahon bas achieved a higher return by investing partly in bonds. This involves making forecasts about the future trends for interest rates in the currency concerned.

At one stage last year, nearly 90 per cent of its portfolio was in bonds. Now the proportion is only 45 per cent.

Although the bonds Guinness Mahon chooses rarely have maturity dates more than 10 years away, the fund bas a higher risk profile than that of Vanhurgh—bond prices are often volatile.

In the funds's first two years from 1980 to 1982, the choice of currencies provided most of the profits, hut last year the capital gains came mainly from bond boldings.

In management techniques, all three funds are similar, using a combination of chart interpretations and fundamental analysis. More empbasis is placed on the fundamentals, although time borizons are short.

All three have the facility to take profits by hacking a pessimistic view for a currency through borrowing in it, but in practice they rarely do so.

All three invest almost entirely in the five major currencies, the dollar, sterling, the D-mark, the yen and the Swiss franc—with an occasional dip into the Dutch guilder. Most trading is done to accomplish strategic switches.

A different style of management based on minute-by-minute trading can be expected from a fund launched only last week by the European Banking Company, a London and Brussels-based consortium owned by seven major European banks includiog the Midland.

At least 75 per cent of the portfolio will be beld conventionally in the short-term monetary instruments of different currencies. But the remaining money, up to 25 per cent of the total, will be actively switched between currencies by the bank's professional traders. The money will be switcbed up to 15 times a day as market conditions change.

According to the prospectus, the bank's foreign exchange activities over the past five years bave been "consistently profitable" and the bank is recognised as one of the leading dealers in the world currency markets.

But it was unable however to give a more detailed indication of the size of its trading profits, although it says its record has been scrutinised by the Stock Exchange.

The minimum subscription in the fund is $1,000.

For the super-rich who can afford to invest at least £100,000 in currencies, the merchant bank N. M. Rothschild offers a "champagne service." It will actively manage a portfolio covering 11 currencies, taking into account the preferences and needs of the individnal investor.

A common problem for all currency funds was created last month by the Government's legislative proposals aimed at clamping down on offshore roll-up funds.

Unless the funds now agree to distribute all the income they receive in whatever currency to their shareholders, all the profits made by UK investors from the fund will be taxed as investment income at a marginal rate of up to 75 per cent, and not as capital gains.

Guinness Mabon is to launch early next month a new fund which will distribute all its income. Vanburgh is set to do likewise. However investors' profits from the other funds are likely to be taxed under the new regime.

This does have one advantage—the liability to income tax is deferred until the money is withdrawn, when the Investor may be in a lower tax bracket.

HOPES OF a reduction in the cost of buying a home were raised yesterday when a Private Members' Bill designed to end the conveyancing monopoly of solicitors received a second reading in the House of Commons.

But for those wishing to avoid any conveyancing fees, which until now have commonly exceeded 1 per cent of the price of the house, a do-it-yourself conveyancing kit with an innovative twist was put on sale this week.

Purchase of the kit for £49.95 gives you automatic insnrance cover, underwritten by Lloyd's of London and a consortium of insurance companies. If, after being snowed nnder by paper, you give np in despair, the Householders' Association, which has pnt together the scheme, will draft in a solicitor free of charge to untangle the knots.

DIY CONVEYANCING

Game of the name

And if, five years after your purchase, a gentleman recently back from Australia turns up, demanding entry to the house you thought yon were buying from its smooth-talking occupier, you will be compensated for any loss.

You are also allowed to make up to three telephone calls free of charge for advice from the HA.

There are 12 different kits available designed to cover all regions of the country, registered and unregistered land, leasehold and freehold property, flats and houses. The kits were devised by Michael Joseph, anthor of The Conveyancing Fraud, a vitriolic attack on his fellow-solicitors.

But remember, sometimes unexpected things can go wrong. . . .

C.W.

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NINETY PER CENT of life, according to Woody Allen, is showing up. This axiom applies perfectly to do-it-yourself conveyancing.

A hnsiness trip prevented me from attending the completion meeting for the purchase of our flat. By now an old pro at conveyancing, I thought I had arranged everything perfectly for completion to take place in my absence. On the day, however, I was informed by an exasperated husband, via transatlantic telephone, that the deal had fallen through and he was thinking of filing for divorce.

When I arrived back in London, I swiftly went through the papers to discover my crimes. The results of the examination, I decided, point np the buge gulf that will always separate legal minds from the rest of us.

My most serious mistake, I learned, was the inclusion of our middle names, Jane and O'Brien, in a form which proved we were not bankrupt. In all the other documentation for the purchase we had not inclnded our middle names.

I can see the building society's solicitor in his study now—"Ah, yes, Carla Jane Rapoport is not bankrupt, bnt Carla Rapoport might well be. . . ." When I asked the solicitor bow many Rapoports he knew, he curtly replied: "That's not the point."

The second, less serious, charge was the inadequate identificatioo of the witness to my signature of the mortgage documents. One of the FT's legal writers, a harrister, had signed the form, but had not given her chambers' address.

These two mistakes were cleared up promptly and completion took place within a few days. My husband has decided to forgive me—although I sometimes suspect it's because he conldn't hear to see me try to handle a do-it-yourself divorce.

Carla Rapoport

Potent cocktails for cruise aficionados

IT WAS a bright early summer morning as we nosed our way towards Stockholm. Suddenly I realised the strange game that my neighbours along the ship's rail were playing. She, armed with binoculars, was spotting youthful Swedes on beaches and aboard the little boats which bounced along beside our giant cruise ship, and he, with his telephoto lens, was recording the naked abandon of these locals for the later admiration, and perhaps astonishment, of friends back in Omaha, South Bend or some other unlikely place on the other side of the Atlantic.

You meet all sorts on cruise ships.

It was another reminder of the fact that while the approaches to the world's cities by road aeem to be losing their differences as the fast food outlets, motels and petrol stations line the roads, the approaches by sea retain their mystery, excitement and ideotitles.

Stockholm hss one of the more interesting approaches. (I deliberately avoid the word spectacular, since it is such places as Hong Kong, St Thomas, San Francisco and Vancouver which offer spectacles.) You arrive via cbannels which weave their way through dozens of islands and promontaries.

The whole thing is made the more attractive by the fact that you may be arriving from Russia, with perhaps one stop in between, and the contrast is striking. The approach tq, and departure from Leningrad, is one of the world's more dreary runs, akln perhaps to coming up the lower Thames, which even the most fervent English nationalial would he hard pul to describe as a scenic wonder.

And yet, fascinating as they are, I am not sure that cruising is really about ports of call or destination countries. Cruise aficionados seem to develop a taste for this strange cocktail of an insulated society, peopled by strangers with whom you rapidly develop intimacy and may even find friendship. It is a world wonderfully, or frustratingly, cut off from reality. It is either the most relaxing or most irritating holiday of all.

Love it, or hate it—that seems to be the general view of cruising. At best it is the pleasure of relaxed blue skies, the

TRAVEL

ARTHUR SANDLES

security of comfortable accommodation in lhe strangest of places, and of a wide range of entertainment within walking distance. At worst it is a trap where you are confined to the same restsurant, the same waiter and the same company for 28 meals over a two week voyage.

Abont 100,000 Britons will go eruising over the next year. Roughly half of them will leave from UK ports and the rest will fly to more distant departure points, notably Miami, Venice and Piraeus, snd join their ships there. They wilt pay between £40 and more than £150 a night per person for their bolidays and find themselves in ports from Leningrad to Bali, Aswan to Guadaloupe.

Because of the wide range of cruisea on offer it is difficult to be precise about the business. Broadly, however, the initial outgoings are high, but the day-to-day costs can he kept low (depending on your consumption nf liquor and shore excursions).

At least for the next few weeks the cruise emphasis moves to warmer climes, notably the south Pscific and the Caribbean. There are few few brave souls who wish to venture through the Bay of Biscay in January. In the spring there comes the turn of the eastern Mediterranean, the Nile, and the Canaries. In summer the cruise enthusiast looks to the western Mediterranean, the Baltic, the Rhine, and the Pacific coastline of the U.S. and Canada. The autumn when many ships get a lick of paint sees a lull in business, but the Greek Islsnds are still in favour (the Caribbean can be a bit blowy).

Perhaps for those who have never cruised, many regular passengers oddly seem to choose a ship first and a schedule after, rather than the reverse. There are three broad categories.

There are the up-market de luxe vessels—the QE2, the Sea Princess, the Royal Viking ships and the former Norwegian ships Vistafjord snd Safafjord which are now under the Cunard flag, among them. Then there are the "fun" vessels, among which I would rank notably the ships of the Norwegian Caribbean lines, and, in the summer, the Costa line ships the higgest of which is the Norway. Finally there are the specialist vessels, the Nile and Rhine boats, the Orpheus of Swan Hellenic and the Linblad Explorer.

To say that, however, is to omit the ships of CTC Line, which probably offers big ship cruising at the lowest rates, using Russian vessels such as the Leonid Brezshnev.

Another, rather fascinating vessel which has entered the market is the small converted cargo vessel, the Vacationer, which started work last summer and has carred quite a following in the British market. I have not cruised on the Vacationer but I have spent some hours aboard in harbour. It is simple, down-to-earth and certainly compact. Above all it does not pretend to be anything more than very good value for money and I have yet to hear any serious criticism.

Its cruises out of St. Lucia start this month and are being handled by Pegasus Travel. A sample two-week holiday, with one week cruising and one week on shore, costs from around £850.

At the other end of the scale the marriage of the QE2 and Concorde, already a huge success on the North Atlantic, is being applied to the cruise market. Cunard Line World Cruise passengers can fly Concorde to New York on January 15, stay overnight at the Waldorf Astoria and join the ship for her cruise the next day.

The QE2 is cruising through the Caribbean and the Panama Canal, and on to Mexico, Los Angeles, Hawaii, Japan, Taiwan, the Phillppines and Thailand before arriving in Singapore on February 28. Passengers can then pick up Concorde again and head back to London arriving, thanks to the time difference, at much the same time as they took off.

The basic price of a Cunard round the world package is from £4,395 for the 45-day trip, and the Concorde flights are thrown in.

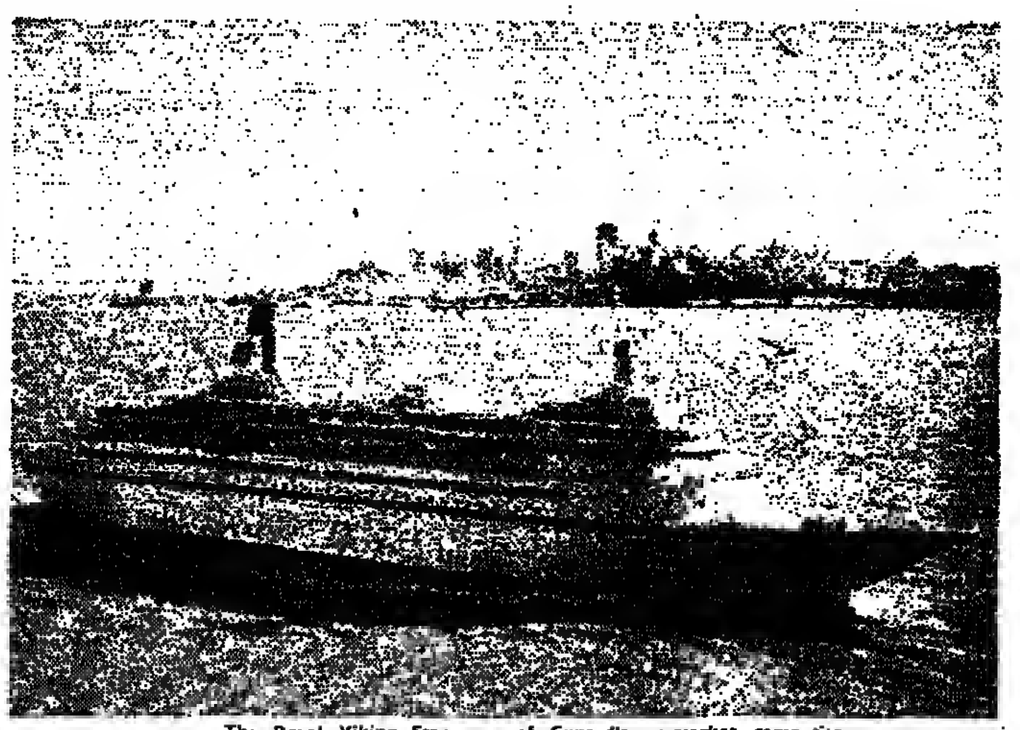
What the cruise market is really waiting for, of course, is what the real impact of the Cunard acquisition of the Sagafjord and Vistafjord will be. Both ships have been undergoing major alterations to improve their passenger appeal and their profitahility. At present the two ships are rated among the world's best, if not the best. Cunard's reputation is really on the line.

To a degree, with so many ships (and the prospect of more if the acquisition of P & O is approved and pursued) Cunard must st times look at the simple formula of another up-market company, Royal Viking Line.

Its three ships, the Star, the Sea and the Sky are virtually identical, each just over 670 ft long, each 83 ft wide and each 28,000 grt. This means that once a passenger finds one ship to his liking he (and I use the word in its unisex sense) is not going to be upset by finding himself aboard another. The ships are highly professional and extremely comfortahle. This winter the Sea is hovering back and forth around the Panama Canal; the Sky is wandering around South America. But for my tastes, the most tempting voyages are those of the Star which is spending the winter and the early spring in the Far East and south Pacific.

As for winter cruises it is worth remembering that on most ships the bulk of your fellow passengers will be American, regardless of the flag of the ship. As a general rule the shorter the cruise the lower the age of the passengers, a fact more to do with the length of holidsys which different age groups can take than the size of their pocket hook. On most ships, notably in the winter months, the dollar is normal currency, with \$2-\$3 a day per person per steward/waiter a normal sort of tip.

Most ships now take credit cards for bar bills and other extras (excursions, the beauty parlour, massage, etc) and you just sign as you go along and settle up at the end of the voyage (or perhaps from time to time on a very long trip). On the better cruises a dark suit/little black dress plus a dinner jacket (long frock) are essentials if worn infrequently, while leisure wear is normal: again I write in unisex terms.



The Royal Viking Star: one of Cunard's up-market competitors.

Book early for self-catering

OVER the next few weeks the poor British holidaymaker is likely to be besieged with offers and counter-offers for next summer. In most fields there is likely to be over-capacity. There is no need to book early if you are fairly free about when or where you go. If, however, you are confined to school holidays, want a particular hotel or resort, or have special needs such as adjoining rooms, then book as soon as possible. For once there is little to lose by an early booking. Most companies are not only guaranteeing prices but also assuring their customers they will not indulge in further widespread price cutting later.

In one area, however, the need for early booking remains crucial —self-catering. Better villas and *gites* tend to sell out very rapidly. "Better" does not necessarily mean simply higher prices, but it does mean good location, high standards and convenient kitchens.

Readers of this column will know of my own addiction to self-catering (all those nights in business hotels for the rest of the year eventually produce an allergy). It remains unshaken. For snyone with a family it is a particular boon not to have to worry about disturbing other guests; or eating (or drinking) when you choose. Yes, I do all the cooking.

Last summer I headed for the hills of Majorca, enough to make many travel sages wince. In the end it proved to be a splendid time of superb scenery, uncrowded terrain (it was a 90-minute drive from Palma), good local foodstuffs and, when the inclination took us — excellent inexpensive restaurants.

Really good villas are not cheap. In Majorca one that hss a pool, maid service, a rental car thrown in and can sleep up tn eight, might cost around £500 per person (if used by six people) for two weeks (flights included). That's for an individual villa in its own grounds. The guide lines for villas in built-up areas tend to be slightly lower.

In our New Year's Eve issue we will he goiog into self-catering more extensively, including camping and boat charter as well as gites and British country cottages.

Norway's Haukeli Highway in midwinter. For these conditions, sped tyres and a well-equipped car are essential for safety, even survival.

How to drive in Europe's snow

MOTORING

STUART MARSHALL

THE FIRST few inches of snow create temporary chaos in Britain. Yet in Northern Europe, where winter starts in October and doesn't disappear until April, traffic keeps going with little apparent difficulty. How do they do it?

Last week, I found out. Starting from Oslo, I drove the 325 miles to Bergen in two Volvo cars. First, a 245 estate took me from Oslo to Haukelister, 3,300 feet up in the mountains of Telemark. After a night at a simple hotel ("a bit like a YMCA for grown-ups," a colleague observed) I drove on to Bergen in a Volvo 360.

There was nothing difficult about the beginning and end of the journey: the roads were more or less clear. In the middle 100 miles, the RAC or AA would have called conditions impossible. They would have been right. Motoring over mountain roads on which feet of snow have packed down into solid ice is impossible unless you go the right way about it.

The first essential is proper tyres. In Norway, summer tyres come off in late autumn to be replaced by boldly patterned winter tyres with over 100 tungsten carbide studs protruding about a milimetre from the tread.

They allow a driver to start, stop and steer fairly normally on surfaces where it is difficult to stand up. Studs are little help in the kind of soft snow and slush we get in Britain and decreases grip on wet or dry roads. And they make a fair amount of noise. The old-style winter tyres on the big Volvo estate grumbled loudly at the 50 mph maximum speed allowed in Norway. On the smaller Volvo 360, new-style Goodyear Ultra Grip tyres seemed to grip just as well on ice but were hardly any noisier than a normal summer tyre on clear surfaces.

The E-76 Haukeli Highway is the only direct road link between Oslo, Haugesund and Bergen kept open all year round. It is a toll road, with 16 km of tunnels and with the £3 it costs to travel it seems reasonable. The scenery, especially in the Roeldal valley, is breathtaking.

When I was there the locals were talking of a mild winter. As they showed me round the machinery depot at Haukelister it was only minus 8 degrees C, though the howling wind made it feel colder. The road is ploughed continuously, day and night, when conditions make it necessary. For really bad weather, they have giant snow-blowers, which plunge into drifts of snow and fling it aside in fountains, leaving a narrow canyon through which trucks and cars drive in convoy.

It is an expensive business. The latest snow blower, called Big John, had just arrived from America. It cost £250,000 and its 750 hp turbo-diesel uses 280 gallons of fuel per eight-hour shift.

But, however great the efforts to keep the roads clear of deep snow and however suitable the car may be for winter conditions, a lot does depend on the driver. On slippery surfaces only the foolish drive fast. Even with spiked tyres, a car can easily go out of control if driven round curves with a heavy foot on the accelerator, or if the brakes are applied harshly on a descent.

> ‘What should you do to avoid trouble? Obviously, ensure that the battery and charging system of your car are fully efficient. Fit new screenwiper blades if necessary and add an anti-freeze (but not radiator anti-freeze) to the screen wash’

Softly, softly is not a bad motto for happy motoring in the snow. It pays not to stop unless you have to. If you do get stuck, spinning the drive wheels furiously in low gear is useless. Try one gear higher and, if it is a rear wheel drive car, keep the handbrake on as you let the clutch in gently. It may help to prevent one wheel losing grip; a limited slip differential is, of course, better still.

Studded tyres are available in Britain but they are hardly ever necessary because they only work on ice, not soft snow. Very few British motorists find it worth while investing in a set of mud and snow pattern winter tyres. Front wheel drive is a great help in snow because it puts the extra weight where it is needed — over the driving wheels. "On demand" four wheel drive, as provided by the Subaru and Toyota Tercel Estate and soon to be available in the Fiat Panda, is ideal for snow and ice and makes spiked tyres hardly necessary, however bad the conditions.

Worn summer tyres are potentially lethal at any time but are especially dangerous in winter. Volvo says that the 1 mm minimum tread depth legally required in most European countries is just not enough for safe winter driving. It recommends a minimum of 3 mm. And Volvo warns that the fashionable ultra-low profile tyres aquaplane much more easily in snow and slush than the narrower kind.

What should you do to avoid trouble? Obviously, ensure that the battery and charging system of your car are fully efficient. Fit new screenwiper blades if necessary and add an antifreeze (but not radiator antifreeze) to the screenwash. A mixture of one third methylated spirit, two-thirds water is, in my experience, ideal.

Other essentials are, in Volvo's view, an ice scraper for windows, a spray to free frozen locks, tow rope, snow shovel, snow grips and a brush. Why a brush? To clear snow off the car after it has been parked and to stop too much being carried into the car on your shoes. It only makes the windows mist up if you do.

All things bright and beautiful

COUNTRY NOTES

JOHN CHERRINGTON

UNLIKE SOME of my neighbours I still have a few rather unkempt hedges. They are not the 20-yard strips that were common in the 30s, where rabbits and other vermin could thrive, but border on the lanes and roads which intersect the farm. They contain a variety of trees. Oak and ash predominate, some old hazel and hawthorn, and of course the holly which grows quite well. I have also let the odd holly bush grow when trimming hedges that I have manicured.

Holly is a very slow developer. I remember an octogenarian in the village showing me s tree some 12 feet high which he said his father had spared on the day he was born. In spite of his great age, this bush still has to grow any berries. This year berries are generally very plentiful, and reddened early, a sure sign of something or other nasty about the weather.

This abundance of holly will probably keep the holly thievea at bsy. There are two classes of these. The commercial ones will take whole treea, wrecking them for years by stripping the branchea off the trunks. As there is so much holly about this year they will be able to satisfy their needs without bothering me. At one time I used to sell holly and insist on careful cutting, but unless I was there all the time buyers never followed my instructions, and so I stopped any commercial disposal.

More difficult to deal with are those thieves who come out with their families on weekends before Christmas and, while seeking, as they say, just enough for a small household, will contrive to fill a trailer and leave a lot of damaged branches stripped of berries. I found one man at the top of the only berried tree in a long hedge last year, and he was quite abusive when I told him the holly belonged to me as did the whole hedge. In his excitement he slipped off his perch but I am sorry to say did not hurt himself.

Holly thievea could be tolerated if they just pruned off the berried twigs and left the branches to produce again next year.

The popularity of wood burning stoves has added to our hedgerow predators. Wood is a most unsatisfactory fuel and probably cutting, transporting and feeding these insatiable furnaces will generate as much warmth in the operator as he will ever get while sitting in front of it. For a time after the tragedy of elm disease there was plenty of fuel for the asking, but now this supply has dried up and one keeps meeting people wandering the lanes waiting for the next branch to fall and in some cases, I sm sure, helping the odd tree to die. To kill a tree is quite easy and almost undetectable, but I shall not go into the details.

The pressure on firewood is going to get worse. I am told that at a recent conference it was claimed that once existing supplies are exhausted, there would be no possihility of growing enough timber in Britain to satisfy the appetites of the wood-burning stoves already installed.

There are alternatives, of course. Plenty of coal — which is cheaper than wood to burn, if the time collecting wood is taken into account. A process is now being developed to make waste straw into briquettes, and so controlling the post-harvest incineration of the atubbles. As we have a surplus of 6m tonnes of straw, Arthur Scargill had better look out.

If you study the base of a hedgerow you will see the well-worn track of the creatures whose main road it is; rats, rabbits and the stoats and weasels which pursue them. They are also much used by pheasants. The pheasant is a creeping, running bird, only taking to the wing on occasions, and this is where a hedge can be the source of endless argument between neighbours.

I am always deeply suspicious when I see someone walking along the lane idly tapping the hedge with his stick, particularly if his walk is going to pass over a boundary. It was not unknown for unscrupulous characters to sprinkle grain along the hedge bottoms to draw the birds and even more unscrupulous miscreants would soak the grains in aniseed or other flavours.

In some respects the present fashion of rearing pheasants in incubators plays into the hands of those who tempt them from the hedges. In the old days pheasants used to be resred by broody hens and when turned out stuck very closely to their mothers and developed a homing instinct to their birthplace. But the mass-produced birds of today don't have this and frequently stray for miles.

A lot of them are ringed by those who rear them, and at times have been found shot ten or a dozen miles from their base. They are not returned. The pheasant is a feral animal and belongs to the land where he happens to live at the moment.

Rich pads at the most sought-after address

BY JUNE FIELD

THERE is no central heating, the steep stone stairs strike chill as one enters the hallway, and there is no lift.

But Albany, that narrow arcade of chambers forming part of a private thoroughfare between Piccadilly and Burlington Gardens, is one of the most sought-after addresses in London.

The historic house was built around 1770 by Sir William Chambers, and converted about 1802 by Henry Holland to apartments for "bachelor gentlemen." (They let women and wives in now.)

In *The Bachelor of the Albany*, 1848, Marmion Savage referred to the place as "for the fashionable thrifty, the luxurious lonely, and the modish morose . . ." But most of its famous tenants appear to have been quite content living there. Macauley had a library of over 7,000 books in the lofty sitting-room looking over Savile Row, and Gladstone kept a diary in which he recorded: "Thought for some hours on my future destiny." He only left to get married and become Prime Minister four times.

"Albany is rich in countless ways, and to be a resident is a thing devoutly to be wished. The experience comes to few although sought by many . . .." observed Harry Furniss in *Paradise In Piccadilly*, 1925.

During the last war Albany discreetly advertised in The Times that the "difficulties of travel and petrol rationing can be overcome by living in London." Sets of chambers were £250 p.a. to £650 p.a., ARP shelter available. Now rents are around £2,500 to £3,500 or more a year, and as always, applicants have to be carefully vetted by the board of trustees to make sure that they will comply with the rules laid down in the early 19th century. (No business to be carried on, no children under 13, and so on.)

Today's residents are as distinguished as ever—one earl, four lords, two knights and a baron, plus authors—J. B. Priestley, for example—and two MPs, Peter Tapsell and Martin Stevens. Edward Heath's chambers were taken on by Baron Philippe de Rothschild. (One may call them rooms, but never flats.)

There are only 13 freeholds among the 69 chambers (the others are owned by Peterhouse College, Cambridge), and they rarely come on the open market. Now former Sheriff of the City of London, Lloyd's underwriter Alan Lamboll, a tenant for some years who recently bought the freehold of his chambers, is selling, as he is moving to Suffolk.

Offers are being invited in the region of £295,000 for what agent Richard Hanlon, Cluttons, 127, Fulham Road, SW3, says is in effect, "a rich man's pad." Mr Lamboll agrees, and thinks that it may sell to a well-heeled American who needs a London pied-à-terre.

This week he showed me what a purchaser will get for the money. The main accommodation was decorated by the late John Siddeley (Lord Kenilworth), and encompasses a smart living-room whose walls are covered in a rich chocolate-coloured fabric, a dining-hall, bedroom, kitchen and bathroom. There is also a cellar (it would be fine for wine, but Mr Lamboll has his spare clothes hanging in it at the moment, which shows that it is dry), and a studio flat, with decor very much in the rough, on the top floor. These attic rooms were originally for servants. Lord Byron brought his own maid and valet.

There is also a balcony off the main room, overlooking the famous "Rope Walk," the covered passage which leads from the main hallway with its busts of the Lords Byron and Lytton, down to the entrances of the chambers. Off the walkway are little gardens, which are such a haven of peace and quiet that it is hard to believe that noisy, surging Piccadilly is just outside.

Above: Former High Sheriff of the City of London Alan Lamboll's sitting-room in Albany, Piccadilly, London W1, where the decor is by John Siddeley. The freehold of the chambers, plus a studio-flat, is for sale on offers in the region of £295,000 through Richard Hanlon, Cluttons, 127 Fulham Road, London, SW3 (01-584 7704). Below: Campbell House, 28 College Crescent, Hampstead, NW3, freehold Regency mansion converted into a penthouse, three maisonettes and two apartments. For sale at £1.5m for the whole, and expected to appeal to the security-conscious such as Embassy or Bank, as the grounds are covered by remote control television surveillance. The underground car-park also doubles as a nuclear fall-out shelter. Brochure Chris Underhill, Druce, 1 Heath Street, NW3 (01-431 1122), and J. Trevor & Sons 58 Grosvenor Street, W1 (01-629 8151).

Reaching Hampstead heights

"IN CAP FERRAT there's the villa. In Davos the chalet. In Monte Carlo the yacht. At home is The Grange, Hampstead." This is the way in which some top-price homes are being promoted on the heights of N.W.3.

The exclusive appeal has paid off for Barratt Developments, Britain's biggest house builder—better known, through its sales incentives, as the guardian angel of first-time buyers. (Its diverse marketing techniques have just made the company, jointly with Sainsbury's, winner of the principal 1983 National Marketing Award.)

Out of the 21 five-bedroom, three-bathroom homes on the Heath-top site in Templewood Avenue, 16 have been built and sold at prices around £400,000 to £600,000. (A third of the buyers are British chief executives of private and public companies, the rest overseas purchasers from the Middle East, the U.S. and Nigeria.)

Just released are a couple of two-bedroom "cottages" with spiral staircase to a living-room and kitchen. Intended as bachelor-pad or pied-à-terre for business people, they are comparatively modestly priced at around £180,000 each.

Eminently suitable for the coffee table in the "snug," television area in the larger Grange houses, is Simon Jenkins, and Jonathon Ditchburn's *Images of Hampstead*, recently published by Ackermann at £67.50. The elegantly produced picture book (there are over 550 prints of the district), pays tribute to the greatest of Hampstead's historians, appropriately named Barratt; and recalls that the place was always a wealthy community, with Victorian developments consolidating its exclusiveness.

Certainly exclusive in design is Chaim Schreiber's five-bedroom, four-bathroom house with striking blue-grey brick exterior and copious marble and wood inside, in West Heath Road. It was designed by architect James Gowan about 20 years ago, and has a spectacular glass-domed, blue-tiled swimming pool, study with gallery overlooking a music room, plus a dramatic "cooking area" as one might expect of an owner who specialises in kitchen furniture. Offers in the region of £1.8m are being invited by John Brown of Wetherall Green and Smith, 22 Chancery Lane, WC2.

In Frognal Way, Gracie Fields' one-time home built in 1932, is for sale at £375,000 through *Melanie Ross, Mellersh* and Harding, 43 St James' Place, SW1. The rather Spanish-looking house has four bedrooms and four bathrooms, and was completely refitted in 1981—with the exception of the cloakroom, this still has the original high-level cistern, with a *little notice saying* "pull the chain hard or its won't flush properly," plus a photograph of "Our Gracie" on the wall.

Recent sales also have illustrious name tags. One of the houses that Constable is said to have lived in, 2 Lower Terrace in Hampstead village, has just been sold by Benham and Reeves for £150,000; and Shirley, Lady Beecham, widow of Sir Thomas Beecham, recently sold "Hall Oak" mansion, built in Frognal Lane in 1881 by architect Basil Champneys for himself and his bride. (Champneys lived in the house until his death in 1935 at the age of 92). Allsop and Co and Graham Marks were expecting between £¾m and £600,000 as a guide price, and indications are that it sold within that range before auction.

Janet Suzman has just sold her four-bedroom house in the Vale of Health for around £150,000, and bought for some £330,000, Alan Ayckbourn's spectacular glass and antique stock-brick house in Keats Grove built for him 14 years ago by architects Henry Osborne Associates. (The playwright has gone back to live in Yorkshire). Both deals were arranged by Stuart Gold and Nicholas Shulman of Anscombe & Ringland's Hampstead office, who are now offering the adjacent cottage for £125,000.

OVERSEAS PROPERTY

Flowering house plants

GARDENING

ARTHUR HELLYER

THE TOUGHEST, longest lasting, most easily grown house plants are almost always chosen for their leaves, not their flowers. They include the kangaroo vine, the monstera, india rubber plant, various ivies, spider plant or chlorophytum and some of the philodendrons and a very worthy lot they are but not the kind of thing to cheer the home at Christmas.

For that one needs plants in flower or, at the very least, covered in colourful fruits like the winter cherry and the Calomondin orange. They, and many more of their kind, are the ones that are now filling the florist shops, the garden centres and many multiple stores and they will be bought in their hundreds of thousands by eager Christmas shoppers.

But which of them will still be alive and giving pleasure in three months time? Certainly not the chrysanthemums which look so neat in their well-filled pots. Once they are removed from the special conditions and the chemical treatments that have kept them dwarfed and made them flower at precisely the right moment, they will double or treble their height, become straggly and untidy and flower, if at all, just when nature tells them to do so. It is best to regard them as purely temporary decorations, lasting a good deal longer than cut flowers but like them to be discarded when the flowers finally fade.

Much the same is true of the flamboyant poinsettias which have also been kept artificially small by chemical treatment and have been made to flower for Christmas by careful manipolation of temperature and "daylight" length. If they are kept for more than a couple of months they must be cut back to 4 or 5 inches when the scarlet or white bracts die, must be repotted in fresh peat or soil-based potting compost and kept in a light place and a minimum temperature of 13 degrees C with plenty of moisture in the air and soil.

By the end of September they must be in the dark for at least 12 hours a day if they are to form flower buds, and subsequently those handsome bracts that surround them, in time for Christmas. Even when one has done all that, the plants will probably be twice as high as when purchased the previous year.

Winter flowering primulas are always grown as annuals and discarded after flowering, but that can go on for quite a long time if *Primula obconica* is purchased and well looked after. This means being given plenty of water, a little feeding and a cool equable temperature. Most rooms tend to be too hot and dry and the plants show their dislike by losing the healthy colour of their leaves and dropping their flower buds. But kept cool and moist they can still be flowering, though far less freely, in May and June. Cinerarias are also annuals and there is no way of prolonging their display and no sense in keeping the plants once their gaudy daisy flowers fade.

It is no use trying to grow *forced hyacinths a second year* in pots or bowls but when they die down in June they can be planted out in the garden. Not all will do well but some almost certainly will if given good soil and a sunny place. I have never bought hyacinth bulbs for outdoor planting but I have plenty in the garden which started life in containers for Christmas flowering.

Hippeastrums, almost invariably sold as *amaryllis* — a name that belongs to the nearly hardy Jersey lily — are quite a different proposition. They are well worth keeping though not for planting outdoors where they would almost certainly be killed in the winter. They can be kept in their pots and if occasionally fed with a well-balanced compound fertiliser they will probably only need repotting every second year.

Contrary to general advice I keep mine moist all the year and they retain some of their leaves or, more accurately, constantly grow new ones. But the real point is that I do not force them to die down by withholding water as commercial bulb growers do to enable them to be marketed as dry bulbs. They are unlikely to flower again at Christmas but will do so quite satisfactorily at their own time, most likely in late spring or early summer. I believe that in the wild they flower two or three times a year when they have formed three new leaves after the previous flowering.

Evergreen azaleas are quite easy to manage if one has room for them. From May to October they are best out of doors, either taken out of their pots and planted in lime-free soil in a position shaded from hot sunshine, or just stood out in such a place but then they will need more watering for they are quite thirsty plants. The roots always seem very reluctant to grow out of the balls of peat in which they have been grown, and so they eventually starve themselves to death. But if well watered and regularly fed with a compound fertiliser from April until August, that evil day can be postponed for several years during which the plants will continue to flower, though probably not as freely nor for Christmas as when they were acquired.

That cheerful little succulent *Kolonchoe blossfeldiona* is another plant timed by the length of the day. There must be ten hours or less of daylight before it will form its buds and then it will take another two or three months before it opens into clusters of scarlet or yellow flowers.

But apart from that it is a very easy plant to manage, quite happy on a sunny window ledge or in a greenhouse in which the temperature never drops belows 7 degrees C. Mine grow in these conditions on a damp plastic mat used to provide capillary watering and any shoot that breaks off and falls on to the mat quickly forms roots and can be picked up and potted.

Cyclamen are good value for money because, so long as they are not allowed to dry out, they go on blooming for a long time and even after that their silver mottled leaves are decorative until they die down in early summer. For the next three months the plants will be happier stood outdoors in a shady place than kept in the house.

As soon as the tubers start to make new leaves they can be repotted in either a peat or soil-based potting compost and by the end of September they can come inside again with every prospect that they will be in flower for Christmas.

Most bromeliads are well worth keeping but they do require a rather special regime. Some, such as the very beautiful urn plant, *Aechmaea rhodocyonea*, need a very spongy humus-rich compost and not too much of it because in the wild they grow perched in trees. The pineapples require more and richer soil and a standard potting compost will suit them well. The urn plant, and others like it, make stiff rosettes of strap-shaped leaves which form a natural cup in the centre and this must always be kept full of water.

Kasparov still in control

CHESS

LEONARD BARDEN

GARY Kasparov scored a third and near-decisive win over Viktor Korchnoi in the Acorn Computer world semi-final early this week when he defeated the Russian exile in 30 moves of trenchant and precise play. The point gave Kasparov a 5½-3½ lead with three games to go, and with Smyslov similarly 5½-3½ in front of Ribli an all-Soviet final was virtually assured.

Kasparov's authority and confidence visibly increased as the match progressed while Korchnoi, conceding 32 years, gradually lost impetus from his initial victory in the match. Soviet officials handicapped Kasparov before the series when they arranged for their delegation to arrive in London only two days before the start. Oft-repeated advice from the influential ex-world champion Botvinnik was that a week's acclimatisation is needed before a major competition at an unfamiliar venue. Fifty years ago Botvinnik came to Hastings only a few hours in advance of the congress, did badly, and never forgot it. He has been Kasparov's senior advisor, so why his star pupil's success was jeopardised is a mystery.

Jet-lagged, then upset by his opening defeat, Kasparov took a long time to warm up and get back into the match. His equalising win in game six lacked conviction as Korchnoi missed several chances to draw, but in game seven the younger man overcame his opponent's listless play while in game nine, Kasparov at last turned on full power.

White: G. Kasparov
Black: V. Korchnoi
Catalan Opening (9th match game)

1	P-Q4	N-KB3
2	P-QB4	P-K3
3	P-KN3	P-Q4
4	B-N2	PxP

Both grandmasters favoured this opening during the match, possibly for reasons of practical convenience. Eric Schiller, author of a new book on the Catalan, had presented them with advance copies.

5 N-KB3 QN-Q2

In game seven Korchnoi's 5...B-Q2 did badly: 6 Q-B2, P-B4; 7 0-0, B-B3; 8 QxBP, QN-Q2; 9 B-N5, R-B1; 10 BxN, NxB (if QxB; 11 N-B3 threatens P-Q5); 11 PxP, BxN; 12 BxB, BxP; 13 Q-N5 ch, Q-Q2; 14 N-B3, QxQ; 15 NxQ, K-K2; 16 P-QN4! BxP; 17 NxRP and Kasparov went on to win the black QNP and advance his own QRP through to queen.

In game eight Korchnoi with white preferred 7 QxBP, B-B3; 8 PxP, QN-Q2; 9 B-K3 but got no advantage.

6 0-0 R-QN1
7 P-QR4 P-QN3
8 KN-Q2!

A new and promising plan for such positions. White's Knight formation at QB3 and QB4 with his queen operating on the light squares will probe Black's weakened Q-side.

8... P-K4
9 NxP PxP
10 QxP B-B4
11 Q-Q3 0-0
12 N-B3 B-N2
13 BxB RxB
14 Q-B3! Q-R1?

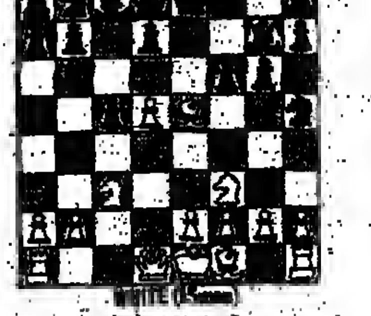
Black stands worse after R-N1; 15 R-Q1 but the contorted idea in the game puts both queen and rook out of play and creates fresh weaknesses.

15 B-B4 P-QB3
16 P-K4 R-R2
17 N-Q5 P-QN4
18 N-R5 PxP
19 KR-B1 B-Q5
20 RxRP BxP

Simple classical chess has given Kasparov a great advantage, and now he wins material and the game. Play ended 21 N-K7 ch,K-R1; 22 B-B2,Q-K1 (no better is B-K4; 23 N(K7)-B6); 23 RxB,QxN; 24 N-B6,Q-B4; 25 NxR,QxN; 26 P-K5,N-KN1; 27 B-K3,Q-R1; 28 QxQ,RxQ; 29 P-B4,N-K2; 30 R-Q2, Resigns. If N-QN3; 31 BxN,PxB; 32 R-Q6 and another pawn falls.

Raymond Keene and FT man Dominic Lawson have combined to write *Kasparov-Korchnoi, London 1983*, published by Batsford at £4.95 within two days of the end of the match. Lawson, who helped bring the match to Britain, supplies the political background to the battle.

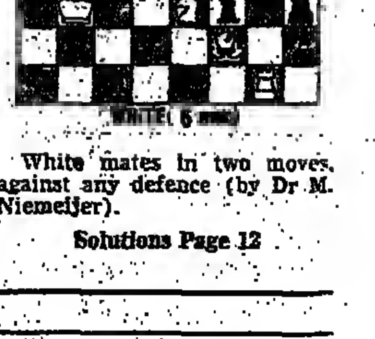
POSITION No. 494



Cronch (England) v Forintos (Hungary), Accountancy Ago Masters 1983. Confronted with a GM opponent, it is easy to exaggerate his reputation and play the man not the board. Here White (to move), himself in contention for a master score, had to choose between (a) allowing knight for bishop exchange by 1 B-N3 or (b) simplifying by 1 BxN.

Which is best, and why?

PROBLEM No. 494



White mates in two moves, against any defence (by Dr M. Niemeijer).

Solutions Page 12

BRIDGE

E. P. C. COTTER

MY FIRST hand occurred in a teams-of-four match and resulted in a big swing to one team:

N
♠ 10 7 5 4
♡ A Q J 10 2
◇ J 10 6
♣ A

W
♠ 2
♡ 9 7 6 3
◇ K 7 3
♣ K Q J 9 2

E
♠ J 9 8 6
♡ 8 5
◇ 9 8 4
♣ 10 6 5 4

S
♠ A K Q 3
♡ K 4
◇ A Q 5 2
♣ 8 7 3

North dealt with both sides vulnerable and opened the bidding with one heart. South made a forcing take-out of two spades and North raised to three spades. South now rebid four diamonds, North made a cue-bid of five clubs, South said five hearts and North jumped to six spades.

The bidding was more or less the same in both rooms—strangely enough neither side played in six hearts, which is cold, but landed in the slightly more difficult spade slam.

West led the club King, won by dummy's Ace, and in one room the declarer crossed to hand via the Ace of trumps, ruffed a club on the table and returned to his King of trumps. When West showed out, the whole picture changed. He ruffed another club in dummy and returned to his King of hearts. He cashed his spade Queen but could not give East his master trump because a club *would inevitably be led* back, so he carried on with hearts. West petered to give his partner the count, East ruffed the third round, and the contract was defeated.

In the other room the declarer showed greater appreciation of the position and took *precautions* against a possible 4-1 break of trumps. At the second trick he led the spade four, played low from hand, allowing East's six to win. Taking the diamond return with his Ace, he ruffed a club on the table, returned to his spade Queen, ruffed another club, crossed to his heart King, and drew the outstanding trumps, making 12 tricks.

A bad trump break is always on the cards and a good player should take precautions against it, if at all possible.

The next hand comes from rubber bridge:

N
♠ A Q 10
♡ K 9 8
◇ 7 6 5 4 2
♣ A Q

W
♠ 9 5 4 2
♡ 6 5 3
◇ Q
♣ 10 8 5 4 3

E
♠ K 8 6 3
♡ 4
◇ A J 10 9
♣ J 9 7 2

S
♠ J 7
♡ A Q J 10 7 2
◇ K 8 3
♣ K 6

With North-South vulnerable South dealt and bid one heart, North replied with three no trumps, which was on ice, but South decided to return to four hearts, and all passed.

West led his singleton diamond Queen, East won with the Ace, and cunningly returned the *nine*. The declarer covered with his King, West ruffed, and led back a spade, the ten lost to the King, and the diamond Knave defeated the contract.

The declarer was too quick to play his diamond King. He should allow the nine to hold. He covers the next diamond. West ruffs, and returns a spade, but now the timing is altered. South can play dummy's Ace of spades, ruff a diamond high in hand, draw the trumps, and discard his losing spade on the established seven of diamonds.

Suppose the diamond nine is genuine, and West has led from Queen, ten, nine — West wins and gives East a ruff, and the same position arises.

The Acol Bridge Diary for 1984, giving a complete summary of the Acol system and much information of interest to bridge players, is now obtainable from Mrs Lederer, 5 Ellis Avenue, Chalfont St Peter, Bucks.

Queen's right-hand man BY GEORGE MALCOLM THOMSON

Albert Prince Consort
by Robert Rhodes James. Hamish Hamilton. £12.50 (until January 1984, £15 thereafter), 197 pages

Prince Albert: His Life and Work
by Hermione Hobhouse. Hamish Hamilton. £10.95, 182 pages

The Cult of the Prince Consort
by Elizabeth Darby and Nicola Smith. Yale University Press. £10, 120 pages

There is no place in the British Constitution for a Prince Consort. In consequence, each incumbent is free to make what he can of the job. Albert had, from the beginning, no doubt what he meant to do. Writing to the Duke of Wellington, he declared that his aim was to be the manager of Queen Victoria's private affairs, her sole confidential adviser in politics, and only assistant in her communications with the officers of the Government, her private secretary, and permanent Minister.

Quite a programme! If it were carried out—and in all of Albert's career he was inevitably progressively doing so—the Queen's husband would become the most powerful man in the realm. Well might the alert he sounded in every political camp, for this was a course of policy which would cause dismay to Whigs as well as Tories, to Melbourne and Palmerston alike, particularly as it was enunciated by a young man of unquestionable ability and sterling character!

But he was a foreigner, which meant he could never be popular, a good thing from the point of view of the politicians. What is more, he was intensely moral, strait-laced even, inclined to fall asleep after dinner, unlike the Queen, who equally moral, loved dancing and late hours. Against all the odds, the House of Coburg and the House of Hanover, had produced two paragons of virtue.

In Victoria's case it was a natural reaction after the lamentable behaviour of her wicked uncles, the sons of George III: Albert's father and brother Ernest were hardly any better. There had to be a sharp turn away from the permissive princes. However, not everybody agreed that this was so.

Melbourne mourned "This damned morality will ruin everything." He was even prepared to put in a word for the Queen's uncles: "they were such jolly fellows, ma'am."

The prince's first and most remarkably achievement was in the sphere of politics. He was determined that the monarchy should be politically neutral, neither Whig nor Tory. Above parties—and therefore (although nobody saw it at the time) greater than parties! This revolution—it was hardly less than that—was carried out by an unpopular German whom London society despised, whom the politicians did their best to humiliate at the start of his career in Britain and whom the press ridiculed.

But one thing — no, two! — were in Albert's favour: the Queen was passionately in love with him, and the secular trend towards a serious-minded, middle-class Britain, towards Peel rather than Palmerston, towards Disraeli, admittedly, whom Albert suspected, and at last towards Gladstone whom Albert would have admired and whom his widow detested.

The Prince's most spectacular achievement was the Great Exhibition of 1851 which was not his idea originally but which, by his enthusiasm and relentless toil, he made into the triumphant apotheosis of nineteenth century Britain. And his greatest failure? The upbringing of his son, the Prince of Wales.

The Great Exhibition did something more than harness Albert's organising talents, it saved him from boredom, the occupational ailment of a consort. As Mr Rhodes James says, in this admirable and sympathetic life, "The essential problem had been that there was too little for Prince Albert to do." So it is ironical that overwork has been held to be a main cause of Albert's early death.

Idleneaa bore all the harder on him because he had strong political views; he was a partisan in spite of his honest wish to take the Crown out of politics, a pragmatic liberal conservative reformer while Victoria was a Melbourne Whig. Thus he was shocked by Shaftesbury's report on the employment of children in mines and factories; he urged further action on the slave trade.

The Queen worked hard to enhance his prestige, for instance, arranging that a chair of state be set up for him in the Lords:

"He is as much King as she can make him: all this, however, does not make him any more popular."

So writes Greville who, as Clerk to the Privy Council, was in a good position to see what was going on.

Perhaps the most significant episode in Albert's career is his opposition to Palmerston whose private life—if it can be called private—he deplored, whose foreign policy he thought too noisy and erratic. Palmerston was a chauvinist, Albert an internationalist—he would have been a good United Nations man.

Bagehot wrote, a year or two after Albert's death:

> "The only fit material for a constitutional king is a prince who begins early to reign, who in his youth is superior to pleasure, who in his youth is willing to labour."

Albert was all these things, except that he was not king. If his life had been prolonged for 20 years he could have made his influence felt on a generation of statesmen less experienced than he. But it was not to be. And perhaps, the British being what they are, and as Mr Rhodes James describes them, "amiable, brave, emotional, selfish, easy-going and lackadaisical"—it is in a way just as well. Albert might have become a constitutional problem.

Hermione Hobhouse's book is a lavishly illustrated review of what the Prince Consort did to promote art, science and industry during his lifetime. Said Disraeli in 1862: "With Prince Albert we have buried our sovereign," which might not be quite true but was a fine tribute to a man of unusual energy and intelligence who, as this book demonstrates, touched the nation's life at many points. If a sovereign should be a patron and promoter of the intellectual and artistic life of a people, then Albert was one.

But was there a cult of Albert? A glance at Elizabeth Darby and Nicola Smith's *The Cult of the Prince Consort* will answer any doubts as will a visit to the current exhibition in Kensington. The outbreak of monuments and memorials of Queen Victoria's husband was really remarkable even in an era given to the rites of mourning. The Queen herself led the rout.

Prince Albert studies the plans for the Great Exhibition of 1851—detail from the painting by Henry Windham Phillips

Fiction

Phaedra of our time BY MARTIN SEYMOUR-SMITH

The Other Side of the Fire
by *Alice Thomas Ellis*. Duckworth. £7.95, 156 pages

The Music Stops and the Waltz Continues
by David G. Smith. Chatto & Windus. £7.95, 217 pages

South of Nowhere
by Antonio Lobo Antunes. Translated from the Portuguese by Elizabeth Lowe. Chatto & Windus. £7.95, 154 pages

Woman Beware Woman
by Emma Tennant. Jonathan Cape. £7.95, 176 pages

Alice Thomas Ellis's new novel, her fourth, is a short and sharp cautionary tale about a woman who falls in love with her husband's son ("Bloody hell!" as the narrative begins). The husband tries consolation elsewhere — and a cunning friend decides to base her romantic pulp novel *A Grope in the Heather* on the situation. We are treated to some sections from this, and they are perhaps the best parts of this novel.

For this to come off completely its author would have to be a miniaturist of genius, and that she is not quite. The narrative has its facetious or silly moments; some, if not all, of the dialogue is as embarrassing as it was supposed to be. But it is surprising how near Alice Thomas Ellis does come to perfection in a genre which demands nothing less.

David G. Smith's debut is a disappointing picaresque-style novel which recalls the swinging 60s. The blurb writer has been ill-advised in asserting that Smith writes like Kerouac, Laurie Lee and Martin Amis. There is a good deal of the bad language, the excess of which spoiled inferior 1960s novels. And the book is supposed to be a "love story." Some love! Young David sets off from Scotland to discover London. But you will need to be almost middle-aged to pick up the references, which are no longer funny. The love lyricism, is *sickly* and in *keeping* with the rest of a book that has been written with some liveliness, but which entirely misses the mark.

South of Nowhere is Antunes's fourth novel, but the first to be translated into English. The author is a 40-year-old doctor, who spent more than two years as a medic in the Portuguese army in Angola. The novel consists of a drunken and crazy narrative by a veteran of the Angolan war: he is trying to insult and yet charm a woman.

The form of the book owes something to Céline and to Camus's *The Fall* (although in that book there is in fact no interlocutor, a trick most of its readers fail to register). It is not as good as it might be, and certainly does not possess the "awesome power" which is claimed for it. But it is authentic, and accents the futility of past and present with decently colloquial efficiency. The translation, which must have been *difficult* to do, is very good.

In *Woman Beware Woman*—a title derived from Thomas Middleton's play of the early 17th century — Emma Tennant combines Gothic (the scene is southern Ireland), detective story and sociological observation. The first-person narrative reads as smoothly as any by this author, who here seems to have crammed more into one book than she has previously succeeded in doing.

There is also some effective satire on a remote, omniscient writer, a Nobel Prize contender, who is killed when he takes up a local cause. The picture of this man, whose death provides the "detective" element, is not altogether satirical: it is also subtle and knowing about the risks of literary fame. Emma Tennant still relies on 13th-century forms for her novels, but they are becoming more usefully contemporary all the time.

Bath-time, Warsaw 1936—detail from one of the photographs in "A Vanished World" by Roman Vishniac (Allen Lane, £30.00), a remarkable collection of photographs showing the Jews of Eastern Europe in their daily lives before the advent of the Nazis. An exhibition of Vishniac's work is currently to be seen at the Ben Uri Gallery, 21 Dean Street, London, W1.

Art

All on canvas

BY WILLIAM PACKER

Francis Bacon is without doubt one of the great artists of our time, British or foreign, and whose importance and general influence, given the current international resurgence of large-scale figurative expressionism, can only now begin to be properly assessed. Weighty tomes and studies of various kinds have been appearing at intervals for some 20 years or so, and now, as he moves into his 75th year, there is no reason why yet another definitive attempt should not be made; but the pity of it is that Francis Bacon, by Michael Leiris (Phaidon £50.00; 272 pages), lush and handsome as it is, should not quite be it.

For the reason, we have only to go back to the first, and best so far, by Alley and Rothenstein (Thames and Hudson, 1964). *Bacon* took a long time to find himself as a painter, to realise an authentic vision as it were, and not before his late thirties, towards the end of the war, could he declare himself as mature artist.

His production from that point however, extending over rather less than the next 20 years, was astonishing, and upon it his reputation as a great artist still rests, no matter that the flow of work has hardly checked in the years since. Alley and Rothenstein, therefore, were treating necessarily only of the most important and significant work, and their book stands unchallenged as a critical document.

Leiris, on the other hand, is through to that point with Plate 25; and though the reproduction in full colour of so much of the subsequent work, triptych after triptych folding out before the reader, is certainly well done and very useful, the book never recovers from this critical imbalance at the very start. Leiris' contribution amounts to an extended, rather literary critical essay, given in both French and English versions.

Peter de Francia's exhaustive study of Fernand Leger (Yale: £25.00, 280 pages) is altogether more admirable, indeed a most impressive, a definitive achievement. For an artist for whom a personal and political philosophy was a determining feature of the work, the life is inseparable from the art, each a kind of moral commentary upon the other; and in taking us through the life by a chronology adapted to successive preoccupations, Professor de Francia gives us all the evidence we could possibly need—the First World War: Industry, Technology and Visual Language; the Cinema; the U.S.; the Theatre; Ideological Struggles of the fifties; etc. —all illuminated by copious reference to Leger's own journalism and critical writings.

The late John Nash, whose painting of the start of a diversionary infantry attack, "Over the Top," the soldiers setting across the snow of no-man's-land, is one of the great images of war, once told me that he really believed the institution of the official war artists programme had saved his life. For he had been an infantryman himself, indeed one of the few survivors of that dawn raid, and it was only through the influence of his brother Paul that he, too, was offered his commission as a War Artist, and withdrawn from the line, which was effected only a little before the great German offensives in the spring of 1918.

A book has now been written, The War Artists by Meirion and Susie Harries (Michael Joseph—in association with the Imperial War Museum and the Tate: £14.95, 310 pages), with a full and conscientious account of the War Artists programme. But useful as it is, and it is a very necessary addition to the library, it is a pity that the generosity of the text is not matched by the illustrations, too many of them too small, often poor in reproduction, and not especially well chosen.

Cinema

Cult of Crawford

BY NIGEL ANDREWS

Monsoons follow droughts in the film book publishing year, and after a dry summer we were wholly deluged. Best book of the season is Richard Roud's A Passion for Films (Secker and Warburg £9.95, 210 pages) which communicates exactly that in its biography of the late Henri Langlois, founder of the French Cinemathèque and one of the great eccentrics of movie history.

The Cinemathèque was the first important film archive in the world, and its growth from tiny cottage industry to major cultural complex—it now dwells in the Palais du Chaillot and houses a film museum as well as a busy movie theatre—is related with zest and insight by Roud, formerly film critic for the Guardian and now director of the New York Film Festival.

Langlois was an unwieldy, charismatic bear of a man who looked as if he had been poured into his suits, as Wodehouse would say, and forgotten to say "when." His notoriously cavalier way with indexing and preserving films caused many heads to shake and his own, on one notable occasion, almost to roll. That was in 1968, year of "les événements," when France's Minister of Culture André Malraux had the gall to ordain Langlois's dismissal. The protests all across Paris—and France, and Filmdom worldwide—were so loud that H.L. was almost instantly reinstated. Langlois went on to reign large and tousle-headed over French film culture until his death in 1977.

Here, six years later, we have the perfect biography. Roud calls to the witness-stand friends, colleagues, enemies, rivals, admirers of Langlois, plus Roud's own fond memories as a friend and fellow film-lover.

For Joan Crawford fans Alexander Walker's profusely illustrated The Ultimate Star (Weidenfeld and Nicolson £10.95, 236 pages) is the tome to gift-wrap. I have always found Joan Crawford's adamantine charisma about as appealing as a blow on the skull. But Walker's writing, as ever, is awesomely well-researched, usually intelligent and as often as possible witty about his subject.

The marriages, the movies, the make-up, the maternal mayhem are all present, right up to the ritualistic photo-spread of "Can you tell the real Crawford from the Faye Dunaway Crawford in Mommie Dearest?" You can, because with the real Crawford the cheekbones stick almost straight out of the paper.

Crawford was probably the most virile leading lady since Boadicea, and there's something formidably hypnotic about the sealed-up features and harsh gash of a mouth that set rigid, over the years, like a papier-maché mask.

Sheridan Morley whisks us through the long-running tale of the British presence in Hollywood. Tales from the Hollywood Raj (Weidenfeld and Nicolson, £10.95, 226 pages) is a madcap chronicle in search of a point and a dénouement. We ask what did the British character bring to the American cinema, and, come to that, what did the American cinema bring to the British character? And we wait in vain for an answer. I would have liked more thespianic-cultural discussion and less full-steam-ahead anecdotage.

But the book is spiritedly told, giving us the lowdown on every expatriate UK talent from A for Andrews (Julie) to Y for York (Michael). (No Zs as yet.) And in combing the libraries and archives, Morley has come up with at least one gem: P. G. Wodehouse's marvellous Saturday Evening Post account, both preposterous and plausible, of his days in the literary saltmines as a Hollywood scriptwriter.

A Crown Princess in Moviedom's top dynasties, Irene Mayer Selznick was the daughter of Louis B. Mayer and wife of David O. Selznick. Unfortunately, as her autobiography A Private View (Weidenfeld & Nicolson, £9.95, 384 pages) shows, second cousin to F. Scott Fitzgerald she wasn't. The book is written solipsistically, trivially and mostly in words of one syllable. She seems fascinated to have been surrounded by brilliant men in Hollywood (the exact opposite of Wodehouse's experience) and by the constant banter of movie business. "All this and tennis too," she ejaculates. She becomes more interesting when we discover her later on Broadway, co-presenting *A Streetcar Named Desire* and coping with the young, temperamental Marlon Brando.

Dale Pollock's Skywalking (*Elm Tree Books, £9.95, 300 pages*) is, says the author, an "unauthorised" biography of George Lucas on which Lucas's "co-operation was total." Trying to unscramble the meaning of that statement is the most challenging part of this book, which is elsewhere a simple, uncritical and mostly readable chronicle of Lucas's ups and ups as a film-maker. From the car crash which nearly welded him to a walnut tree at age 18 via the tyro triumphs of *American Graffiti* and *Star Wars* to the mythic multi-millionaire presence which is Lucas today. The story collects its facts and puts them straight in your lap without bothering greatly with fine writing. Mainly for Lucas addicts, but they should enjoy it.

Aeronautics

Looking down

BY MICHAEL DONNE

The best aeronautical work I have seen so far this Christmas and indeed even this year (outside the customarily massive tome of that hardy perennial, Jane's All The World's Aircraft, always an impressive tour-de-force in aeronautical publishing and of infinite value) is Camera Above The Clouds (Airlife Publishing £13.95, 162 pages), a beautiful selection of black-and-white and colour photographs from the archives of the late Charles E. Brown. Probably the greatest aeronautical photographer yet, for sheer longevity as well as the exceptionally high quality of his work, Charles E. Brown in his own quiet way made a massive contribution to aeronautical history through his camera.

I remember him well, and constantly rejoice in the artistry of his handling of an admittedly highly photogenic subject, over a period extending from 1911 to his retirement in the 1960s. It is good to know that his many thousands of negatives have now come to rest in the RAF Museum at Hendon, where they can be seen and enjoyed by many for years to come.

This selection, by Anthony Harold, encompasses many unique shots of rare historical interest and beauty, especially those shot in colour during the Second World War, when few photographers outside the U.S. had access to colour film. Charles set himself high professional standards, and this memorial tribute lives up to his own goals. It is a volume to be sought, gazed upon longingly, and treasured.

Laddie Lucas, a distinguished fighter pilot and already well known through his biography of the late Sir Douglas Bader, has produced, in Wings of War (Hutchinson, £9.95, 409 pages) an aeronautical pot-pourri of the writing of many Second World War airmen, both enemy and allied, from many countries (although the Soviet Union chose not to contribute). The resulting collection of biography, autobiography, journalism, poetry, letters, diaries, official papers and memoranda comprise one of the most absorbing books about the air war I have yet encountered.

Each item is succinct enough, and carefully chosen, to ensure that the book can either be read straight through or picked up and put down as time and inclination dictate. Either way, it is enthralling, and I will wager those who do pick it up, will not put it down in a hurry. An undeniable achievement, I rate this one a "must" for any aeronaut's bookshelf.

Finally, Air Forces of the World (by Chris Chant, Willow/Collins £10.95, 234 pages) is one of those comprehensive guides to what is happening in military aviation without which aviation writers, commentators, politicians and all who profess an interest in the air would probably be lost.

It is a well-designed, concisely written, and profusely illustrated volume, with black-and-white and colour photographs, and many charts, with both an alphabetical list of countries with a resumé of their air forces, and a detailed exposition of military aircraft by type. For its price, it is a remarkable production, and well worth the money.

Original presents to last forever

If I look back over the years at the presents I have been given and try to recall the ones that have given the most lasting pleasure, I find that pictures, whether oils, lithographs, etchings or just plain posters, come very high on the list. They range from one or two relatively valuable ones given on special occasions (like our wedding) down to very inexpensive prints that none the less have a high decorative value and still please the eye.

If you are still unsure of what to give this Christmas, there are few people—whether a child with his own room as his domain, a student trying to perk up dingy institutional surroundings, or a newly-married couple—who wouldn't take some pleasure from something to put on the wall. The major hazard of course, is that grey area called "taste"—does he/she go in for experimental art, for representational pictures, for abstract, "pretty-pretty" or does he prefer to track down his own pictures in auction sales?

It is too late now to rely on auctions for Christmas though for another year it is as well to remember that in the run-up to Christmas many of the auction houses run special sales of decorative lower-priced pictures, ranging from primitives to watercolours.

However, a host of galleries have also decided that the Christmas market is one worth cultivating and try to make their premises more approachable to the ordinary shopper at this time of year. They try to remove the aura of exclusivity and entice the present-seeker with decorative displays of less expensive, more accessible art.

One of my favourite small galleries which offers something pleasing to put on the wall at very reasonable prices is Zella 9 at 2 Park Walk, London SW10. It has about 100 artists on its books producing original limited editions including silk screen prints, lithographs and etchings, from the well known like Anthony Benjamin, Graham Clarke, Phil Greenwood and Julia Matcham to the lesser-known at prices ranging from £4 to £300. Open 7 days a week from 10 am to 9 pm, Christmas Eve open just until 6 pm.

Having just come back from a few weeks in India I've become rather hooked on Indian miniatures. Anybody with a similar inclination will find a collection of original, hand-painted miniatures, dating from 1480 to the present day at the Five Dials Gallery, on the corner of Neal Street and Earlham Street in Covent Garden, London WC2.

The exhibition is on now and runs until December 23 and even for those who can't afford to buy, it provides an interesting view of the Indian miniature over the past 500 years. The 242 paintings in the exhibition were collected by Jonathan Barnard on a recent trip to the country and prices range from £80 to £600. My own particular favourite is the miniature of elephants, photographed right.

Charlotte Campbell-Davys decided that she could make original paintings more accessible to more people by selling from home. This way she takes the awe out of buying and bridges the gap between galleries and artists. She works from home at 42 Jubilee Place, London, SW3 (tel 01-352 1303) and offers customers the chance to view (first making an appointment) seven days a week.

She makes no high-flown claims for her artists—they are all contemporary artists (but she suspects few of them will hit the big-time) and they offer a range of styles from watercolours to oils, from landscapes to abstract figurative art. The stock is constantly changing, it is all hung on her own walls, there are some 150 works to choose from at any one time and prices range from £15 to £250. Names include people like Maurice Cockrill, Ricardo Valbuena and Jacquie Turner.

Homeworks, Dove Walk, 107a Pimlico Road, London, SW1, is currently having a huge success with its exhibition entitled, The Male Nude. A varied, interesting exhibition with portraits by such modern big names as David Hockney, Patrick Proctor and Kitaj, it is well worth viewing, even if you cannot afford to buy. There are some limited edition prints with starting prices at £50 but most of the pictures are between £300 and £750.

Graffiti at 30 James Street, London W1 has a special exhibition of miniature prints which it feels will make good Christmas presents. The fourth year it has run such an exhibition there are original works of art by over 50 artists from Britain, Europe, Japan, North America and the Middle East. There is a wide variety of moods, styles and techniques and images range from postage stamp to postcard size. Prices start at £5 and go up to £30 and the gallery offers to frame any of its works on the spot at about £7.50 a time. On until December 24 the exhibition offers the chance to buy original art at very inexpensive prices.

A contemporary miniature painted in Jaipur from the exhibition of six centuries of Indian miniatures on at the Five Dials Gallery, Neal Street and Earlham Street, Covent Garden, London WC2. This particular painting is in ink and is £275.

Wrap it up with wit and flair

Drawings: Michael Daley

IF YOU haven't a great deal of imagination and are easily carried away by the mounds of brightly coloured, enticing wrappings that fill the Christmas counters it wouldn't be at all difficult to spend more on the wrapping than on the present itself. Robin Guild, whose taste and flair is behind Homeworks, 107a Dove Walk, Pimlico, London SW1, has this week been trying to persuade the public at large that to wrap a present enticingly, to dress a tree or a room attractively needn't cost a mini-ransom, it just takes thought, care and flair.

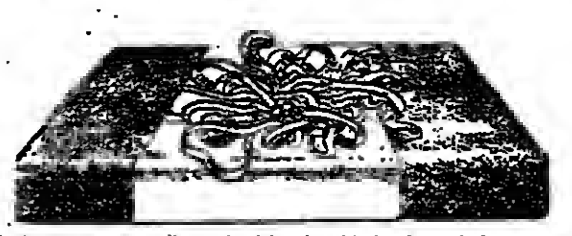
Viewers of breakfast television who have been watching TV-am this week will have been able to see some of Robin's ideas in action. He is a great fan of tissue paper (at 4p a sheet much cheaper than glossy wrapping paper), spray glue, spray paints and confetti. With these relatively inexpensive ingredients he has many ways of making the outer wrapping almost as enticing as the present itself.

Left, giant-sized package wrapped with overlapping layers of tissue paper. The bottle-shape is emphasised with diagonal stripes of tinsel.

For his own Christmas party he has sprayed his tree with various coloured paint sprays bought relatively cheaply in art materials shops. He warns that Christmas trees, particularly after they have been in a centrally-heated room for any length of time, are highly inflammable objects, and suggests using a flame-retardant spray. He protects the needles with hair lacquer and makes sure he uses the spray paints in a very well-ventilated room.

He used four different coloured spray paints on the tree, over-lapping the colours in a very free way. For streamers he uses masses of coloured tissue paper which he shredded in the office shredding machine (those without access to such a machine should cut it into fine shreds with a razor blade).

He is a believer in the witty wrapping — for instance, a tie, could be wrapped in a giant tie-shaped brown paper parcel and then the shape can be further emphasised with judicious use of spray glue and glitter (see drawing).



Plain brown paper enlivened with shredded coloured tissue paper.

For a bank manager's present he suggests that you don't discard the brown paper you may well find it wrapped in — use it as the basis for giving the wrapping character. He suggests adding a lush trim of finely shredded FT paper (what else?) attached with some silver baubles.

Brown paper can also be livened up by adding just tassles of shredded tissue paper (see sketched above) or it can be personalised by adding either a cut-out initial or making an initial or a picture by using spray glue and confetti (see sketch far right).

He uses crepe paper lavishly—using two colours for a richer effect. If the object is too large for a single sheet of paper he thinks it's best not to worry about making it look too neat — just use overlapping sheets of tissue or crepe paper and embellish odd corners by sticking on shredded paper or streamers. He believes in keeping from year to year all the left-over bits of tinsel from crackers, wrappings and presents — all can be re-cycled and used to add decoration and glamour which turn an ordinary present into something with panache.

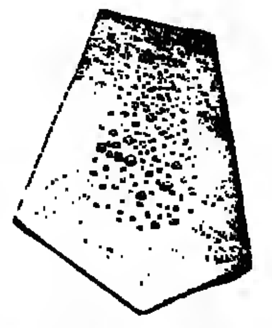
If you can add humour or charm to the present, so much the better. For instance, if you are wrapping up a bottle, perhaps of inexpensive plonk, find an old label from a fine bottle and stick it on the outside of the wrapping. Or, he remembers how once his ex-wife, Tricia Guild, gave him a present wrapped in plain paper but embellished with fresh hydrangea petals stuck all over it—nothing could be prettier. Nowadays she often uses fabric remnants to wrap her parcels.

When it comes to decorating the house he feels that it is better to follow the lines of a room, or door or lintel—draping streamers or greenery in swags does nothing to enhance the room, whereas hung in generous straight lines it seems to work better.

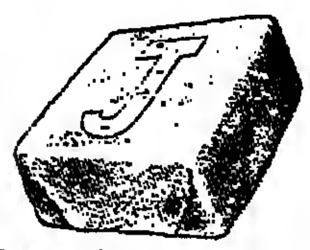
For his own party he used great clumps of greenery hung in straight lines around the cornice and enlivened it with masses of bright red plastic apples.

He's a believer in mixing the real with the artificial—particularly in winter when flowers are scarce and expensive it makes sense (and looks remarkably good) to use, for instance, silk white roses, with real green leaves. Similarly, now that it is so difficult to find real holly, he has many tables at the Homeworks showrooms filled with jars of real greenery enlivened with red plastic berries or apples.

The bank manager's present—brown paper enlivened with finely-shredded FT paper attached with three silver baubles saved from a Christmas cracker.



A tie is wrapped in a giant-sized brown-paper tie-shaped wrapping. The shape is further emphasised with glitter or confetti attached with spray glue.



To personalise a present use cut-out initials or use spray-glue and glitter to form the shape.

COOKERY

Keep it fresh and light this Christmas

By JULIE HAMILTON

IT IS CLOSE to Christmas now and the season of entertaining is in full swing; a period of traditionally excessive enthusiasm for food is looming.

I think a menu of the lightest possible festive food makes the best offering at a dinner party that takes place so near to Christmas. Searching for ideas, I have been reading the Roux brothers' *New Classic Cuisine*, published by Macdonald at £13.50, and very good reading it is.

But one has to bear in mind, so as not to be overwhelmed by a feeling of inadequacy, that it is written by chefs, two men who do not have to bath the children or intersperse their gastronomic masterpieces with fish fingers and chips to get the kids out of the kitchen before the guests arrive.

SAUCE VIERGE AU BASILIC

(Olive oil sauce with basil)

Many of the recipes look very tempting. This is a simple and beautiful sauce that appeals to me and I intend to find reasons for using it at once. The Roux brothers say it is good with poached fish or grilled lamb cutlets.

8 fl oz olive oil; 2 medium size tomatoes; 1 clove garlic; 8 tablespoons snipped fresh basil; 3 tablespoons snipped chervil; 3 tablespoons snipped parsley; 6 coriander seeds crushed; juice of 1 lemon; fine salt and white pepper freshly ground.

Plunge the tomatoes into boiling water for a few seconds, refresh in iced water, peel and de-seed. Cut the flesh into very small lozenge shapes and place in a bowl. Add the peeled, crushed garlic, the snipped basil, chervil and parsley and the finely crushed coriander seeds, olive oil, lemon juice, salt and pepper.

This sauce improves in flavour if it is left to stand several hours before use and served slightly warmed. Do this by placing it in a bain-marie briefly just before bringing it to table. I think it will go wonderfully well with sea bream but I will not poach the fish, which I prefer to bake.

Clean and de-scale the fish, keeping the head on. Rub salt and lemon inside and out. Cut some knobs of butter and press them into seven or eight slices of lemon, sprinkle a little pepper and finely chopped parsley over the butter and lightly press it in. Place these prepared slices of lemon in the cavity of the fish and along the top of it. Place it on a rack in a roasting tin, pour a little water in the bottom and roast in a hot oven (gas mark 7, 425F) for about 20 to 25 minutes. Serve with the above sauce and nothing else.

I shall start the dinner with the sea bream and follow with a variety of vegetables and very thin slithers of cold, spiced and peppered beef prepared as follows.

SILVERSIDE AT KEEPERS

serves 10 generously

You need to start this recipe five days before you intend to serve it.

5 lbs silverside cut as near the aitch-bone as possible, unrolled and without loose bits or many jagged ends—in fact it should resemble a hefty book such as the Larousse Gastronomique! 5 ozs salt; 5 cloves garlic; 5 teaspoons strong Dijon mustard; 2 teaspoons traditional French mustard; 3 teaspoons coriander seed; 1 de-seeded small fresh red chilli; 3 tablespoons light oil (sunflower); 2 tablespoons sweet paprika powder; 6 tablespoons fresh lemon juice; 4 tablespoons red wine vinegar; 4 teaspoons muscovado sugar; 1 heaped teaspoon coarsely ground black pepper; ½ pint medium sweet cider.

Heat the oil and add the paprika. Pull off the heat. Crush the garlic in the salt with a pestle and mortar until it is quite liquid, then combine it with the oil and paprika and all the other ingredients except the cider. Place the beef in an earthenware dish (it's best if it is a tight fit) with a lid and rub the marinade all over the meat very thoroughly. Cover and place in the refrigerator for five days, turning and rubbing it every day.

Preheat the oven to gas mark 8 or 9 (450 or 475F). Remove the meat from the marinade and roast it in the oven for barely 20 minutes to seal it, then place it in a deep casserole, spoon over half the marinade and add the cider. Replace in the hot oven for a further 10 minutes then reduce the heat to gas mark 1 (250F) and cook for one hour and 15 minutes. Remove from the oven and cover the pot with two bath towels and allow to cool very slowly indeed.

Serve when completely cold, probably the next day. Slice across the grain (across the short sides) and I think you will find this the most tender piece of meat imaginable.

One of the vegetables I shall serve will be

BEETROOT AND NUTMEG

Serves 10

3 or 4 good size freshly cooked beetroot cubed; 3 teaspoons strong Dijon mustard; 3 tablespoons fresh lemon juice; 1 egg yolk; approx. ½ pint olive and sunflower oil mixed; ½ of large nutmeg freshly grated (more if you like); salt to taste.

Proceed as for making a mayonnaise, then pour over the beetroot and taste. It really is delicious.

For dessert I shall serve my improvisation on the

TARTE TARTIN

8 Bramley apples; 6 Cox's orange apples; 4 ozs butter; 7 ozs plain flour; 2 egg yolks; 1 tablespoon caster sugar; pinch of salt; enough iced water to form a dough; 1 teaspoon cinnamon; 2 tablespoons dark brown sugar.

Line the base of a nine-inch loose bottomed cake tin with well-greased paper and butter the sides. Spread a tablespoon of brown sugar on the bottom. Peel, core and very thinly slice the apples (keeping them in salted water will prevent discolouration). Make a short sweet pastry with the above ingredients and chill it.

Beginning with the Cox's apples, arrange them a piece at a time in the cake tin on top of the layer of sugar. Try to form a regular pattern with the thin slices of apple which must lie absolutely flat and be well pressed down. When you have used all the Cox's apples, sprinkle with the cinnamon, then add the Bramley apples in the same manner, covering them with the remaining sugar and the pastry, rolled out to a circle that will fit just inside the rim of the tin.

Heat the oven to gas mark 4 (350F), place the cake tin in a larger roasting tin to catch the juice which inevitably runs out during cooking, and bake for about one hour. If the pastry begins to burn place a sheet of foil on top of it. To serve, invert the tart and peel off the greaseproof paper just before bringing it to table while still hot. Offer whipped double cream to which you have added the juice of half a lemon.

Record review

French heroines

[A]nyone whose affection for [Ma]ssenet's music has been [uns]ettled by the exhumed *[C]larmonde* should invest in [the] new EMI *Manon*, a Capitole-[Tou]louse recording conducted [by] Michel Plasson, with a [spl]endid cast — IC 157 (SLS) [4]1413, 3 records in box. [Ile]ana Cotrubas is the heroine. [Mo]re precocious child than [vul]nerable adolescent, ruthless, [fin]ally captivating. This soprano [is] mistress of every vocal and [ver]bal inflection in the long [rol]e. She uses vibrato to exqui-[sit]e advantage when, for [exa]mple, she wheedles her way [int]o "N'est-ce plus ma main." [A] lovely artist.

The Chevalier Des Grieux is [Al]fredo Kraus, whose spun-[sil]ver line, as finely poised as [his] partner's, sounds incredibly [yo]uthful. Only once, in the St [Su]lpice scene, does the emotion [get] juicy and the accent cross [the] border southwards. As a [ru]le, Kraus handles French [mo]re naturally than other lead-[ing] Spanish tenors. Gino [Qu]ilico as brother Lescaut and [Jo]se Van Dam as father Des [Gr]ieux are admirable. Guillot [an]d Bretigny, Charles Brules [an]d Jean-Marie Fremeau, are [un]usually vivid.

There is a little too much [re]verberation in the acoustics [of] the Halle aux Grains at [To]ulouse for my taste, but it [ha]rdly mars the sheen and [sp]arkle of the Capitole [Or]chestra's playing. Plasson [ke]eps the touch light and [sp]ringy, avoiding the mechani-[ca]l clatter which some conduc-[to]rs of French opera mistake for [vi]vaciousness. With reserva-[ti]ons about the last quarter or so of the score, what a piece of work is *Manon*!

Many opera-lovers have been impatiently awaiting a record-ing of Dukas' greatly admired but seldom performed *Ariane et Barbe-bleue*. Here it is at last, in a fine Erato issue made in Paris by the New Philharmonic Orchestra impressively directed by Armin Jordan — NUM 750693, three records in box. Don't delay — such treasures have a way of disappearing from stockists' shelves.

Ariane falls in time between her two natural companions, Debussy's *Pelléas* and Fauré's *Pénélope*. Dukas' librettist was Maeterlinck, who wrote *Ariane* not as a play, like his *Pelléas*, but as an opera, originally con-sidered for Grieg. Manon's idea of liberty was unlimited pleasure for herself with little heed for others. Ariane, in defying Bluebeard and offering freedom to his former wives, is concerned with wider issues. When her predecessors cravenly refuse, preferring familiar cap-tivity to the unknown, she moves serenely on, to do good elsewhere. Maeterlinck's mis-tress, Georgette Leblanc (whom Debussy had refused for Méli-sande) claimed that he modelled the character, which she created at the Opéra-Comique in 1907, on some of her own experiences.

The brief, pungent, suggestive text is the framework for a magnificent score, allying dark Wagnerian sonorities to a gleaming, post-Rimskyan sur-face. In the first act alone there are two outstanding features — the series of orches-tral variations as Ariane unlocks the successive doors of Blue-beard's treasure-house of jewels, and the gradual welling-up out of the blackness of the voices of the immured wives. Their theme, already used in a simp-ler form by d'Indy in his second symphony, winds in and out of the rest of the opera.

The Paris Opéra brought *Ariane* to Covent Garden in 1937, with Germaine Lubin memorably incarnating the heroine. They revived it a few years ago for Grace Bumbry. General neglect inside and out-side France is at least partly explained by the severe demands of the title-role, not vocally spectacular but needing a dramatic soprano or mezzo with stamina, dramatic intelli-gence, powers of declamation and physical distinction — Alceste and Isolde in one.

Once initial nervousness is past, Katherine Ciesinski pro-vides all of these qualities that can be displayed on disc. In the final scene, where to a prosaic English mind Ariane may seem rather a tiresome woman, interfering and con-descending, Miss Ciesinski never forfeits one's sympathy. Blue-beard has one short, striking scene in the first act, is absent from the second and mute (wounded and tied up by his peasants) in the third. Gabriel Bacquier's first-act intervention is so powerful that the effect carries over. Sélysette, the most articulate, of the former wives, is attractively sung by Hanna Schaer. As Ariane's nurse Mariana Paulova is plummy at first but good later.

RONALD CRICHTON

Countdown to Xmas pantos Nextweek

Jill Gascoine (left) and Lynsey de Paul in Aladdin, which opens at the Shaftes-bury Theatre on Monday. The show will be reviewed next week, as will many other Christmas entertainments: Ron Moody returning to London in the role which made his name, Fagin, in Oliver! at the Aldwych, Ken Dodd in Sinbad the Sailor at Wimbledon, Dickie Henderson in Cinderella at Dartford, Simon Cadell and the holiday camp gang in Hi-De-Hi at the Victoria Palace, the RSC in Peter Pan at the Barbican, and Wayne Sleep in tights at the Dominion.

MICHAEL COVENEY

Beauty and the Beast

BY B. A. YOUNG

"Gather up those dry shoots," says the Zephyr to the Rose Fairies, "and then we'll sing the Bridesmaids' Chorus from *Der Freischutz*." There's this year's, and any year's Players panto-mime at the Players Theatre, Charing Cross, in a nutshell. This year's happens to be *Beauty and the Beast*, but as usual it has a script by Planché (well, it's sometimes by H. J. Byron) and music by Arne, Donizetti, Bellini, Rossini, Schubert, Verdi, Weber, Trad and others.

Planché writes couplets like the one I've quoted from, and those composers have their music sung by players with trained voices who need no microphones to fill the house.

The evening is full of sly little quotations from various classic sources, some of them later than 1841, which is when the script was written. I loved it when the Beast's page, an enchanting black girl called Maureen Brath-waite who sings like an angel, suddenly became a character from *Rosenkavalier* for 10 seconds as she gave a rose to sleeping Beauty.

Beauty is Alexandra Sebastian, who speaks her songs a little too much but is generally charming. The Beast is Robert Cavendish, a bass whose voice seems a little muffled by his beastly mask, but who is princely enough under *his fur*.

Most of the charm is con-tributed by the Fairy Queen (Geraldine Arthur) and her quartet of roses. The comedy is provided by Beauty's father, Sir Aldgate Pump (John Rutland) and her Ugly Sisters, perhaps borrowed from another script (Julia Sutton and Jenny Wren). I won't stress how much I en-joyed the evening; this is the one show of the year where you always know what you will get and how much you will like it, and it never lets you down.

Andrew Faulkner at the piano represented the orchestra; Reginald Woolley designed the splendidly Victorian sets and directed the show; and the London, Chatham and Dover *Railway* provided the charac-teristic background music.

Vox Pop

The last of Radio 4's Sunday morning phone-ins about *Broadcasting Tomorrow* came this week with the director-general in the chair. It con-firmed my belief, that began with another series earlier this year, that programmes like this are of little value and less interest, yet must be treated as if they were of importance.

There are two fundamental arguments against them. One is that the callers are hardly at all representative of listeners. I don't say this because so many of them con-fess to a whole-hearted devotion to Radio 4. Radio 4 is fine, I hover over it most of my time; but 80 per cent of listeners listen to Radio 1 and 2. Even if Radio 4 were a majority taste, however, it's obvious that the people who call are not just ordinary people. A high pro-portion of them confess to working in schools or other educational and quasi-educa-tional facilities. Their accents, even though they may be call-ing from Edinburgh or New-castle, are almost always educated English *middle-class*.

The other objection is the impossibility of carrying on a reasonable argument with them. Let us suppose that the caller has put a really interesting question, has phrased it so that the meaning is clear, and divested it of all partial com-ment and indignation. What is the D.G., or whoever it is, to do? He will give a brief answer, as clear as he can; and thereupon the caller goes "Yes, but don't you really think that you ought" and proceeds to repeat his previous point.

Now there are lots of impor-tant points to be made, and an exchange of courtesies lasting about 90 seconds, with, if we are lucky, a Robin Day-style intervention by George Scott, the anchor-man in these exchanges, is not enough even to make a caller think again, let alone change his mind. It *certainly* isn't enough to make Alasdair Milne or the BBC's Board of Governors think again.

Yet I do believe that these programmes must be treated as if they were of some conse-quence. Not, in my experience, that we are likely to hear many of these important points. We hear endless repetitions of the same personal prejudices, most of them already common cur-rency ("Why do you have to show so much violence and pornography?"). The ideal broadcasting system is to eliminate all reference to the unpleasant things in the world apparently, so that the children shall never know about them. And it is no good saying that the children should go to bed at 9 o'clock, you just try it.

It is right that these opinions should be showered on the people who are responsible for organising our home entertain-ment. They must know about them. They should even, in some cases, do something about them. But a proper interchange of ideas should take place, pre-ferably by some more private means, like the Post Office. For four consecutive Sundays, the whole morning on every-one's favourite channel (you would think) was devoted to giving publicity to the views of a handful of partisan dogmatists.

Perhaps all these dissatis-fied folk should be writing to *Feedback* on the same pro-gramme, where they get a *slightly longer discussion of* their problems. *Feedback* has to be approached by post and not by telephone, so the questions tend to be rather more clearly expressed, except by those boring people who feel that they ought to try and make their letters funny. As it hap-pens, someone wrote to the last *Feedback* I heard to say how colossally boring *Broadcasting Tomorrow* was. Colin Semper, *Feedback's* anchor-man on this occasion, told us that there had been 200 calls to *Broadcasting Tomorrow* the previous week (December 4) and 300 the week before that: 50 per cent more for radio than for television, that is.

Slavomir Mrozek's smashing play *The Ambassador*, a world premiere on Radio 3, dealt with the philosophical problems of to-day's politics so keenly and so humorously that it made me *think of Voltaire*. It was set in the Embassy of a democratic country in a totalitarian nation. The arrival of a dissident seek-ing asylum leads to a state of siege which the Ambassador's own country can't alleviate, be-cause it no longer has a viable government. There are some powerful arguments on the basic questions of honour and belief that would have enter-tained Falstaff. Denis Quilley played the Ambassador, David Marsh the representative of his host nation, Tim Piggot-Smith the dissident and Eric Allen Othello, the black First Secre-tary. Martin Jenkins was the director. Repeat soon, please!

RADIO

B. A. YOUNG

Hansel and Gretel—a cautionary tale

[A] Season of good will or no, the [B]loomsbury Theatre's own pro-[d]uction of *Hansel and Gretel* [r]equires not so much a notice [a]s a post-mortem. What took [th]e stage on Thursday evening [sh]ould not, I think, have been [p]ut before a paying public. Of [co]urse we all make mistakes, [b]ut this was a mistake on an [e]pic scale. How was it allowed [t]o happen?

Did the management know of [t]he musical difficulties of the [p]iece, the problems of the lush [s]coring, the infinite care needed [w]ith casting? Were they made [a]ware of these difficulties by—[f]or example — the conductor [C]hristopher Fifield, who is [k]nown to be a serious and gifted musician? Were his warnings heeded? Apparently not. For much of the evening the *soi-disant* Bloomsbury Theatre Orchestra was only feeling its way into this miraculous score with the sort of playing one might expect at a second or third orchestral rehearsal, not on a first night. Towards the end there were some moments to suggest that in time it might all come together into a respect-able reading, but not for a week or two.

Was the management confi-dent of arranging enough stage-time to allow Robin Don's ambitious, complicated and rather ugly decor to be made to work technically? Again, apparently not. Stage hands were continually visible, whether frantically arranging bits of the set or pushing for-ward the huge gantry loaded with motionless angels in the Dream Pantomime (I've heard of the *Verfremdungseffekt* but this was ridiculous). And who-ever it was playing hoop-la with saucepans back-stage during the quiet music should perhaps be discouraged.

Worst of all, Sheila Steafel (Witch) had to sing the first part of the Ride off-stage while being hitched into flying appara-tus, which then failed to work when she came on-stage. The poor woman jigged about a bit, sloped off to be unhitched, and then expected sympathetic applause on her re-entry. At this stage of the evening one's reserves of compassion were wearing decidedly thin.

The advance publicity had been built round Miss Steafel, doubtless an attraction to the commercial sponsors (who included Prudential and Virgin, an euphonious combination). She is modestly gifted as a comic, even more modestly as an opera singer, having about four useful notes in the middle of the stave and virtually nothing elsewhere. For most of the time she was simply inaudible. Jill Washington (Gretel) and Maria Jagusz (Hansel) are talented young artists who would have benefited from more carefully prepared accompaniment and more sensitive direction than Christopher Renshaw's: there was too much meaningless wav-ing of legs in the air, and even the odd flash of Marks and Spencer knicker palls after a bit.

Glenville Hargreaves (Peter) was the only principal cast from proper vocal strength, and he enunciated the poor new trans-lation by John Hope Mason with fatal clarity. Eileen Hulse doubled Sandman and Dew Fairy with much charm, and Catherine McCord went at Ger-trude with a will (a Wagnerian voice is also needed).

I suspect that the manage-ment went into this with only vague ideas as to what is involved in staging an opera, especially one as complex as Humperdinck's masterpiece. I wish I could suggest with confi-dence that it will improve dur-ing the run (up to January 14) but I can't. RIP.

RODNEY MILNES

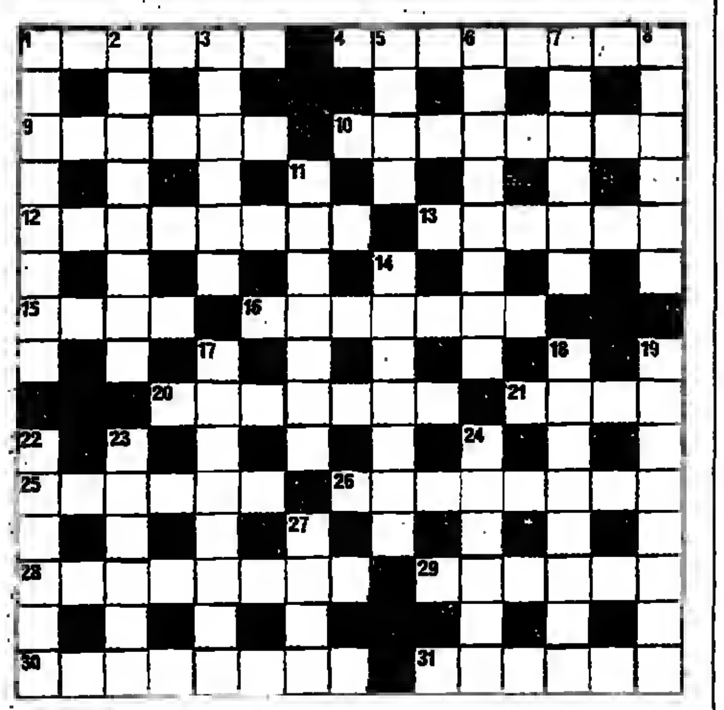
F.T. CROSSWORD PUZZLE NO. 5,296

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by Thursday, December 29, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solution will be given on Saturday, December 31.

Name ....

Address ....

....



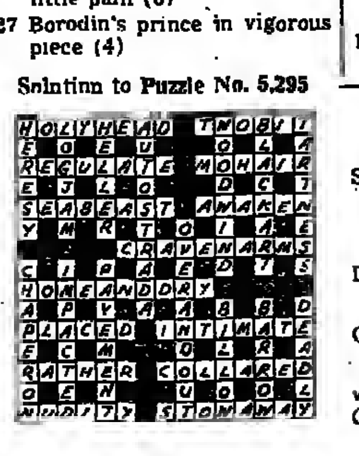
ACROSS

1 King Edward made large sum at next to nothing (6)
4 Box carried by every single one in match at Lord's (3-5)
9 Bay of strange allure (6)
10 Squat inside express—run-ning on four lines? (8)
12 Usher below in open clash (8)
13 Penny on the shelf—some-thing given as security (6)
15 Space-visitor straddling motorway is put out (4)
16 Not in favour of bad stain on silver (7)
20 Carton-consigning wine-shop proprietor? (7)
21 Substitute third man? (4)
25 Learned Conservative means of turning to achieve power (6)
26 Poet has hard lines confes-sing (8)
28 Painstaking with what could be hot and turbulent (8)
29 Spur said to be visible (6)
30 Cattle in this place at very little cost formerly? (8)
31 Advanced two points in fast time (6)

DOWN

1 Square column—one in stucco (8)
2 German table-top turned out nice (8)
3 Last word in attempt to be consciously fashionable (6)
5 Some more tuition required to hold needles (4)
6 Chemical influencing salty act, possibly (8)
7 Big jumpers from South Africa and eastern regions (8)
8 Offer to follow train (6)
11 Jolly camper to shade down under? (7)
14 A river once more backs up and falls (7)
17 Wild flower we find trouble-some in Transylvania (8)
18 Making fist about men, I? (8)
19 Sharkskin has turned colour (8)
22 Quash the spirit? (6)
23 Routed another way (6)
24 Whine after start of treat-ment although there is very little pain (6)
27 Borodin's prince in vigorous piece (4)

Solution to Puzzle No. 5,295



*Indicates programme in black and white

BBC 1

8.35 am Inch High Private Eye. 9.00 Saturday Superstore. 12.12 am Weather.
12.15 Grandstand, including 12.40 News; Football Focus (12.20); Racing from Ascot (12.45, 1.15, 1.50, 2.25); Rally-sprint (1.30, 2.05); Rally-cross (2.40); International Show Jumping (3.00); Cross Country (3.20); Rugby League (4.00); Final Score (4.35).
5.10 News.
5.25 The Little and Large Show.
6.00 The Saturday Film: "Can't Stop The Music."
8.00 The Two Ronnies.
8.50 Bergerac.
9.45 News and Sport.
10.00 International Show Jump-ing from the Grand Hall, Olympia.
11.00 Late Night Horror: "The Devil Rides Out," starring Christopher Lee.

REGIONAL VARIATIONS:

Wales: 5.20-5.25 pm Sports News Wales.

Scotland: 5.20-5.25 pm Score-board. 10.00-11.00 Sportscene.

Northern Ireland: 5.00-5.10 pm Northern Ireland Results. 5.20-5.25 Northern Ireland News.

England: 5.20-5.25 pm London—Sport; South-West (Plymouth)—Spotlight Sport; Other English Regions—Sport/Regional News.

BBC 2

10.35-11.00 am Open University.
2.45 pm The Sky At Night.
3.05 Play Away.
3.30 "The Emigrants," starring Liv Ullman.
5.50 Greek — Language and People.
6.15 Whistle Test — On the Road.
6.55 Newsnight December.
7.45 News and Sport.
8.00 Zubin Mehta Masterclass.
8.50 Cary Grant in "Night and Day." First of a season of films to celebrate Cary Grant's forthcoming 80th birthday. Also starring Alexis Smith, Mary Martin.
10.58 News Summary.
11.00-1.35 am "The New Land." Second film in the Swedish epic starring Liv Ullman, Max Von Sydow.

LONDON

6.25 am Breakfast television.
9.25 LWT Information.
10.30 Sesame Street.
10.30 The Saturday Show.
12.15 pm World of Sport. 12.20 World Cup Ski Jumping; 12.45 News from ITN; 12.50 On the Ball; 1.20 Racing from Doncaster; 1.45 Grey-hound racing live from Wembley; 2.10 Snooker—The Hofmeister World Doubles 1983; 2.25 Racing from Don-caster; 2.40 Snooker; 3.45 Half-time Soccer Round Up; 4.00 Snooker; 4.45 Results
5.00 News from ITN.
5.05 CHiPs.
6.00 3-2-1.
7.00 Cannon and Ball.
7.45 Punchlines.
8.15 Hart to Hart.
9.15 ITN News and Sport.
9.30 Piranha: Adult Movie starring Bradford Dill-man, Heather Menzies and Kevin McCarthy.
11.10 International Snooker.
12.15 am London News Head-lines, followed by After Midnight.
1.00 ELO followed by Night Thoughts with the Rev Jim Graham.

CHANNEL 4

2.00 pm Coping.
†2.25 Monkey Business.
†4.15 Healthy, Wealthy and Dumb.
4.35 The Chicago Teddy Bears.
5.05 Brookside.
6.00 How We Learned to Ski.
6.30 News Headlines followed by Citizen 2000.
7.00 Seven Days.
7.30 Union World.
8.00 Fragile Earth. Pantanal: A huge area of marshland situated in the south-western corner of Brazil.
9.00 The Avengers.
10.00 Fox.
11.00 Interference.
†11.30 The Worst of Hollywood presents Robot Monster.

S4C (WALES)

1.50 pm A Week in Politics. 2.30 The Amateur Naturalist. 3.00 The Tube. 4.30 Utopia Ltd. 4.55 Yr Awr Fawr. 5.55 Superted. 6.05 The Incredible Hulk. 7.00 Newyddion. 7.20 Storom Bywyd. 8.15 Aiglwg. 8.50 Rockers Roadshow. 9.30 Y Mees Chwerw. 10.20 The Tragedy of Carmen. 11.45 The Worst of Holly-wood. 01.35 Closedown.

REGIONS

IBA Regions as London except at the following times:

ANGLIA

5.35 am Vicky the Viking. 10.05 Unicorn Tales. 5.05 pm Knight Rider.

BORDER

9.25 am Cartoon Time. 9.40 Tarzan. 5.05 pm Knight Rider.

CENTRAL

9.25 am The Wonderful World of Professor Kitzel. 9.30 The Green Hornet. 9.55 Watton, Watton. 10.00 Terrahawks. 5.05 pm Knight Rider.

CHANNEL

9.25 am Saturday Space followed by Space 1999. The Exiles followed by Puffin's Space. 5.05 pm Puffin's Pla(i)ce. 5.10 Knight Rider.

GRAMPIAN

9.35 am Fangface. 10.00 The Adventures of Gulliver. 5.05 pm Knight Rider. 12.30 am Reflections.

GRANADA

10.20 am Cartoon. 5.05 pm Knight Rider. 12.30 am Hawaii Five-O.

HTV

9.25 am Cartoontime. 9.40 The Adventures of Niko. 10.05 Stingray. 12.13 pm HTV News. 5.05 Knight Rider.

SCOTTISH

9.25 am Storytime. 9.35 Stingray. 10.00 Terrahawks. 5.05 pm Knight Rider. 12.30 am Late Call.

TSW

9.25 am Dick Tracy. 9.30 Freeze Frame. 10.28 Gus Honeybun's Magic Birthdays. 10.30 The Magic Micro Mission. 11.00 Little House on the Prairie. 11.45 Joanie Loves Chachi. 12.12 pm TSW Regional News. 5.10 Knight Rider. 12.30 am Postscript.

TVS

9.25 am Watton Watton. 9.35 The Smurfs. 10.00 Mork and Mindy. 5.05 pm Diff'rent Strokes. 5.35 OJ. 12.30 am Company.

TYNE TEES

9.25 am Morning Glory. 9.30 Tarzan. 10.25 TT Time. 12.13 pm North East News. 5.05 North East News. 5.07 Knight Rider. 12.30 am Rock Around Midnight. 1.30 Poet's Corner.

YORKSHIRE

9.25 am Malotoons. 9.35 Metal Mickey. 10.00 University Challenge. 5.05 pm Knight Rider.

RADIO 1

(S) Stereo broadcast

8.00 am Tony Blackburn's Saturday Show. 10.00 Dave Lee Travis. 1.00 pm My Top 12 (S). 2.00 Paul Gambaccini (S). 4.00 Saturday Live (S). 6.30 In Concert (S). 7.30 Janice Long. 10.00-12.00 Gary Davies.

RADIO 2

7.30 am David Jacobs (S). 9.30 Sounds of the 60s (S). 10.30 Album Time (S). 11.30 Kenny's Office Party (S). 1.00 pm The Crumblewoods. 1.30 Sports on Two: Rugby League (2.15, 3.02, 4.55); Football; Show Jumping (3.02, 4.55); 5.00 Classified Football Results. 5.50 Pool news and results. 6.00 Country Greats in Concert. 7.00 Beat the Record. 7.30 Ron Goodwin (S). 8.30 Big Band Special (S). 10.00 Saturday Rendezvous (S). 11.00 Pete Murray's Late Show (S). 2.00-5.00 am *Bill Rennells (S)*.

RADIO 3

8.00 am News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.15 Schubert and Rossini in Salzburg (S). 1.00 pm News. 1.05 British Con-*temporaries of Brahms (S)*. 1.50 Ernest Ansermet (S). 3.50 Ives the Revivalist (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 Organ Music by Herbert Howells (S). 7.20 Jean-Philippe Rameau (S). 8.30 The Cult of the Exotic. 8.50 Platee, Act 2 (S). 9.35 A Closer Look. 9.55 Platee, Act 3 (S). 11.00 The Complete Webern (S). 11.15-11.18 News.

RADIO 4

5.30 am News; Farming Today. 6.50 Reading Between The Signs. 7.00 News. 7.15 On Your Farm. 7.45 Reading Between The Signs. 7.50 It's A Bargain. 8.00 News. 8.15 Sport On 4. 8.48 Yesterday in Parliament. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week In Westminster. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News; Money Box. 12.27 pm The First Hell Century (S). 1.00 pm News. 1.10 Any Ques-tions? 2.00 News. 2.05 Afternoon Theatre (S). 3.00 Medicine Now. 3.30 Worlds of Faith (S). 4.00 News; In-ternational Assignment. 4.30 Does He Take Sugar? 5.00 Wildlife. 5.25 Week Ending. 6.00 News; Sports Round-up. 6.25 Desert Islands Discs (S). 7.05 Stop the Week with Robert Robinson (S). 7.45 Baker's Dozen (S). 8.30 Saturday-Night Theatre (S). 10.00 News. 10.15 Living Memory. 11.00 Lighten Our Darkness. 11.15 A Hun-dred Years of the Met. 12.00 News.

RADIO LONDON

7.32 am Good Fishing. 8.04 London Today. 9.03 Inside London. 9.30 Cor-ridors of Power. 10.02 All that Jazz. 11.30 Robbie Vincent's Saturday Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 5.00 Guideline. 5.30 Even-ing Star. 7.30 Hold the Front Page. 8.00 Radio Replies. 8.30 Good Fishing. 9.00 As Radio 1. 12.00-5.00 am Joint Radio 2.

LBC

7.00 am AM with Peter Deeley. 10.00 Jellybone. 12.00 LBC Reports. 13.00 Sportswatch. 18.00 LBC Reports. 19.00 Gast Mate. 20.00 Network. 21.00 Hayes on Saturday. 22.00 Nightline.

CAPITAL RADIO

7.00 am The Breakfast Show. 10.00 Pick of the Pops — Take Two. 12.00 Love Song Saturday. 2.00 pm Afternoon Delight. 5.00 Gary Crowley's Magic Box. 7.00 Greg Edwards' Soul Show. 9.00 Roots Rockers. 11.00 Foreign Affair. 12.00 Midnight Special.

CHESS SOLUTIONS

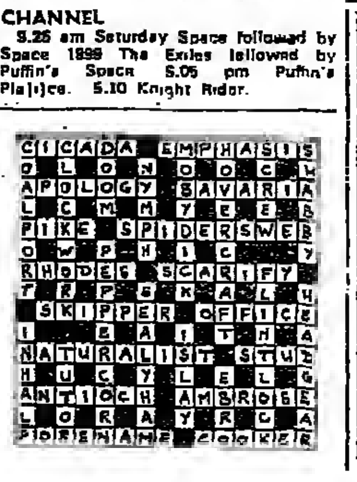
Solution to Position No. 494

(b) 1 BxN! RxB; 2 P-KN4, N-B5; 3 P-K3 wins a piece and the game. White went on to qualify for an international master result.

Solution to Problem No. 494

1 K-R4 (waiting) and mate by 2 Q-B5, 2 Q-N5, 2 Q-Q6, 2 R-N4 or 2 B-N3 according to Black's reply. The point of the prob-lem is that all other white king moves are defeated: if 1 K-R3/N4, B-B1! or 1 K-B4,RxP! or 1 K-R2/N2/B2,R-R7.

SOLUTION AND WINNERS OF PUZZLE NO. 5,290



Mrs S. G. Price, 76 Field Barn Drive, Weymouth, Dorset.

Mr W. Legg, 109 Rue St Charles, 75015 Paris, France.

Dr P. H. Tattersall, 8 Ravensworth Terrace, Durham City, Co. Durham.

Stocking the 1984 cellar

BY EDMUND PENNING-ROWSELL

I AM often surprised at the apparent lack of cellar records kept by enthusiastic drinkers of the finer types of wine. The term "cellar" may be a euphemism, or part of one's stock may be in a merchant's "customers' reserve" but wherever situated this stock should be regularly checked.

By this means one's rate of consumption can be seen—not only in terms of bottles opened, but in the type of wine preferred. Is the total quantity held shown to be rising, falling or stable?

Under present conditions it is certainly true that the most economical way to buy fine vintage wine is when it is first offered in this country, either as what the Americans rather depressingly describe as "futures", that is wines as yet in cask or vat at source, or when first offered in bottle here. A record of acquisitions and consumption should certainly help one in buying. Moreover, if notes are kept on the quality of each bottle as drunk, and with whom one has drunk it, a useful and fascinating record of the progress of a wine's development is revealed. It also prevents one from giving the identical wine to the same people time after time.

There are some published cellar books, sold by wine merchants, but a stoutly-bound exercise book will do equally if not so attractively well. What needs to be recorded is the name and quantity of each wine, when it was bought, and possibly, if different, when it was delivered, and how much it cost.

With inflation still with us and likely to remain, in later years the apparent skill with which we have bought important wines at bargain prices is a never-failing source of self-satisfaction. On the facing page or in adjoining columns of the cellar-book there should be the date and details of consumption.

To compliment this, it is useful to run through the pages once a year and tot up purchases and consumption, and, if one dares, the total amount spent. If the last figure looks somewhat on the high side, it is not difficult to point out, first, how much more would have bad to be spent had acquisitions been delayed and, secondly, how much the wine will appreciate in value. Whatever the merits of laying up treasure on earth, there can be little doubt as to the desirability of baving a stock of fine wine below ground. (If I may here interpolate a personal note, the Guardian diarist who recently suggested that I might have a cellar of 2,000 cases was, I am sorry to say, wildly wrong. Nevertheless, I do not aim to follow the late André Simon's dictum that a man bas failed in life if at his death any wine is found in his cellar.)

So to take stock of one's more estimable vintage wines is surely appropriate at this time of year, and particularly just now when from various quarters so many good vintages bave arrived to attract us.

First, of course, are the 1982 clarets. They bave their detractors, mostly saying the wines lack balance, but I can testify from experience of tastings at source or from cask samples how attractive they are and—whatever their long-term future—they should be represented in every serious cellar. Indeed thousands of dozens of wines have already been sold in this country that will not be bottled until next summer and only delivered early in 1985.

Many merchants who made opening offers bave exhausted their stocks, but some firms are still listing them. From catalogues to hand, they include Corney & Barrow, EC2; Harveys of Bristol; Hungerford Wine Co of Hungerford; Justerini & Brooks, SW1; Lay & Wheeler of Colchester and Tanners of Shrewsbury.

A further good reason for buying these '82s now is that the '83s will soon be on their heels. It is too early to estimate the quality of yet another large vintage, but it is clearly going to be a saleable one that will be offered bere next summer. As the crop was so large, with some châteaux making more wine than in 1982, and American demand likely to he reduced, prices should be stable and, at the higher levels, even lower than for their high-priced predecessors. Those who, after buying '81s and '82s feel that they can afford to miss the '83s should bear in mind that there is no guarantee that the next two or three vintages will be all that successful, and that a good vintage should always be represented, not least in order to display the fascinating variations which Bordeaux in particular can provide. Those of us who rather dismissed the light but agreeable '73s had cause for regret.

It looks as if 1983 will turn out to be an exceptional year for Sauternes, but they may not be ready next year, as usually they are offered only when in bottle. But it seems certain that some excellent red and white burgundies were produced this year. There were problems of rot among the lesser red wines and of high alcoholic strengths among the whites. Severe hailstorms also damaged part of the Côte de Nuits, but leading growers and merchants are united in their confidence in the fine quality of the vintage, and if it requires careful selection, that is the job of the traditional wine merchants.

Prices for the Côte de Beaune whites are likely to be higher, owing to world demand, but the large crop of fine Chablis should ensure some stability. Beaujolais also made excellent, fruity, full-bodied wines, reminiscent of the big '76s, and those who do not accept that these *cru* wines have to be gulped down before the next vintage, should look out for such wines as Fleurie, Juliénas, etc.

Other candidates for early purchase are the '82 northern Rhônes from around Tain l'Hermitage and in the tiny Côte Rôtie district. Quantities produced and exported to Britain are relatively small and tend to be bought up quickly and then drunk too young. Considering their quality prices remain very reasonable.

The Loire had a good year too, and Alsace an exceptional one, with a large proportion of high-quality wines. Such wines need keeping, and no one is likely to regret having some cases below stairs of their Riesling or Gewürztraminer.

Even better news for the all-too-select band of fine German-wine admirers is the success of the 1983 vintage: the best since 1975 and 1976, and resembling, perhaps, the distinguished but less luscious 1975s. So good are they, not least on the Mosel, that there is a shortage of the QBA wines—a German acronym meaning "quality wine of designated areas of origin"—that form the basis of the trade. The estate wines should he looked-for later next year, and wines from Kabinett to Auslese quality will in a few years' time make delicious aperitif or post-prandial drinking. A likely source here will be O. W. Loeb of Jermyn Street, SW1.

There is no need to make budgetary provision in the coming year for buying other new vintage wines. The last port vintage to be declared somewhat uncertainly was 1980. There is no sign of 1982 being put forward, and if 1983 were to be announced as a vintage year, it would not call for purchase before 1985. Meanwbile the vintages of the last decade—'70, '75 and '77—are readily available at very fair prices, though older vintage ports are now realising prices at auction more in keeping with their age and quality.

Finally, in these days when there is much talk of the need to observe the law, it is to be expected that the Government will obey the judgment of the EEC Court and in the Budget reduce the excise duties on wine, so that our purchases of recent vintages, unlikely to arrive on our shores before then, will be at somewhat lower levels.

Ben Wright on a disturbing development in golf

Looking at the skins game

GOLF was the loser from the moment the recent "skins" game between Gary Player, Arnold Palmer, Jack Nicklaus and Tom Watson was announced. This big money exhibition match was staged at the Nicklaus-designed Desert Islands course near Phoenix, Arizona and televised nationwide in the U.S.

A skins game or accumulator is usually played by only the most intrepid gamblers, because if no one wins a hole outright the stake is doubled, and so on until one of the players manages to do so.

In the recent Desert shoot-out, which was not quite the same thing, the money was put up by the sponsors at the indecent rate of $10,000 for each of the first six holes, $20,000 for each of the next six, and $30,000 for the 13th hole onwards.

Needless to say, none of the quartet involved needed the money, but the vast American public was fascinated to watch Player win $170,000, all but $20,000 of it at the 17th, after four previously drawn holes.

Palmer took home $140,000 largely on the strength of one earlier $100,000 hole, Nicklaus, $40,000 and Watson a mere $10,000 earned at the very first hole. Incidentally only once, in 1978, when he won $177,336 had Player earned more than $170,000 in a whole American season, Palmer only twice, won more than $140,000 in a year on the U.S. PGA Tour.

Until now, I have always been full of admiration for Nicklaus's respect for the game, and its traditions. When Johnny Miller was at the height of his powers in the mid-1970s, Nicklaus resolutely refused to become involved in a $1m challenge match against him, winner take all, because he reckoned such a stunt was not in the best interests of the game.

Why then would he have taken part in such an unseemly jamboree as this skins game?

That question is easily and sadly answered. Nicklaus agreed to take part if the event was staged at his own new development, where the clubhouse is still on the drawing board and the residential building plots around the course are on sale.

But I have met many senior golfers who were delighted that the two "old men" of the party upstaged the "open" young stars who have lately eclipsed them. The playing details—Player's success paled into insignificance in comparison with the publicity over the unseemly quarrel that followed the match.

Dave Anderson, the widely syndicated Pulitzer Prize winning sports columnist of the New York Times, overheard Watson and Player arguing vehemently over an alleged rules violation by Player.

According to Anderson, Watson was nose to nose with Player when he said "I'm accusing you, Gary, you can't do that. I'm tired of this. . . . I wasn't watching you but I saw it." What Watson had apparently seen was Player's removal or flattening of a growing leaf behind his ball at the 13th hole as he prepared to chip—a breach of Rule 17-1.

Player said at the time: "Tom thought I had moved a leaf, that I shouldn't have moved. But I told him I didn't and he accepted that, and that's the way we left it." Nicklaus and match referee Joe Dey we[re] present throughout the te[n] minute altercation, but did n[ot] comment.

After the story had been fro[nt] page news in the New Yo[rk] Times, Watson was contacted [by] the Associated Press at h[is] Kansas City home the followi[ng] day. Alas, far from havi[ng] accepted Player's explanation [he] added fuel to a fire that h[as] become a burning issue in clu[b] houses throughout the U.S. [if] not the world.

Watson said: "What I [saw] was a clear violation. I cha[l]lenged Gary on it. I asked h[im] if he was ignorant of Rule 17-[1].

"What it comes down to is h[is] word against mine. When [a] player was ignorant of the rul[e] or was trying to improve h[is] line of play is something th[at] lies within his heart. We'[ll] never know."

But why did Watson n[ot] report the infraction to Dey?

Player made a brilliant ch[ip] to enable him to halve the ho[le] —and thus kept in the runni[ng] for his $150,000 bonanza at t[he] 17th.

Golf was the big loser, h[ad] no one really gained from th[is] miserable ballyhoo. If [my] four heroes want to play sk[ins] again, let them put up th[eir] own money and play to th[eir] heart's content — but behi[nd] locked doors.

This is not likely, howeve[r]. Unfortunately, commercial tel[e]vision's only guiding light is [the] audience ratings.

And in their world, this inau[gu]gural skins game was successf[ul] enough. I suspect this compe[ti]tion will become at best [an] annual event. Perish t[he] thought!

Desert shoot-out . . . Player, Palmer, Nicklaus and Watson

Fur or glass slippers

BY JANET MARSH

GLASS SLIPPERS sound singularly impractical, particularly for dances; and generations of young readers must bave puzzled over the oddity of Cinderella's footwear.

The explanation may lie in the drawbacks of the oral tradition of story-telling. It seems likely that when Charles Perrault was collecting peasant fairy tales in the seventeenth century, be misbeard "*pantoufles en vair*" (fur slippers) as "*pentoufles en verre*" (glass slippers).

Alternatively the error might have been that of an early translator; but in any case fur slippers seem hardly more appropriate to a royal ball, even though warmer.

The Cinderella tale turns up in every folk-lore, and literally hundreds of versions have been recorded. The step-sisters did not become positively wicked until the Brothers Grimm, in the nineteenth century; and even then they were not ugly: "fair in face but foul at heart." Like most fairy lore, the story has been a magnet for psychologists who have discovered in its themes of foot fetishism and sibling rivalry. Not that that kind of thing has ever affected its status in this country as one of the favourite pantomime stories.

This year the National Theatre, presenting its first traditional pantomime, has chosen *Cinderella*, and a foyer exhibition which opened recently under the title "Miss Cinders" is devoted to the literary and stage history of the story. The exhibits all come from the collection of David Drummond, the bookseller of Cecil Court, and demonstrate how broad a collection can be based on a single title.

The exhibition starts off the stage history of *Cinderella* at the very beginning, with an exceedingly scarce item, the script of the 1804 Drury Lane production, "*Cinderella or The Little Glass Slipper*, a Grand Allegorical Pantomic SPECTACLE. Produced under the sole direction of Mr Byrne."

The most celebrated 19th century Cinderella was of course Rossini's opera *La Cenerentola*, first performed in 1817, and produced in London in 1830 in a version arranged and adapted by one Rophino Lacy. The Cinderella was a debutante, Elizabeth Inverarity, who is represented in the exhibition by a charming little stipple engraving. It was this production which initiated the spectacular transformation of pumpkin into coach, which ever since bas been the touchstona of stage *Cinderellas*.

Even before this the story had been adapted to pantomime. Mr Drummond bas a Drury Lane playbill of 1820 announcing *Harlequin and Cinderella*, with Grimaldi as the Baroness Pomposini: The character of the Baroness seems to have been created to provide a strong leading role for the great clown; and sbe remained in the *dramatis personae* well into the present century. In the Drury Lane *Cinderella* of 1895 she was played by little Dan Leno, with the rotund Herbert Campbell as the bennecked Baron. Dan's Baroness was formerly harmaid at the "Pig and Whistle." "Why, I made the name of the place." "Yes, you did, my dear," the Baron would murmur; "They called it the Old Curiosity Shop."

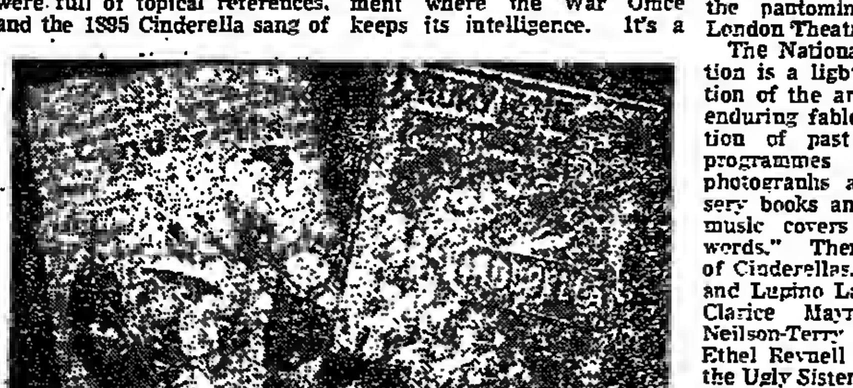
By this time pantomimes were full of topical references, and the 1895 Cinderella sang of herself as "The Up-to-Date Domestic":

In point of independence we
have made tremdous strides,
It's a very thin division that
class from class divides;
Still the missises and masters
have the privilege to pay,
While the up-to-date domestic
does exactly her own way
On the slightest provocation we
our things begin to pack,
And a missis we don't tolerate
who dares to answer back.

Drury Lane's 1905 Baroness, played by Walter Passmore, when faced with the Palace sentrics, recalled her own military connexions: "My father was head of the Intelligence Department of the War Office. You didn't know there was one? Oh yes, it's the Department where the War Office keeps its intelligence. It's a very *small* department."

In later years the lions' share of the comedy tended to go to the Ugly Sisters, and their mother gradually disappeared from the scene. The sisters' names vary. Clorinda and Thisbe still survive from the 1830 Rossini production, but there have also been Sophonista and Araminta, Mopsa and Arethusa, Hippolyta (sporty) and Aeuone (aesthetic) and other colourful variants. At the Hippodrome in 1924, Baron Mumm's daughters were called Maxie and Minnie, and played respectively by the heavyweight Dolly Harber and the elegant female impersonator Bert Erroll.

Over the years the most durable supporting character has been Dandini. Buttons is definitely a 20th-century introduction: the earliest appearance I have so far been able to discover for him dates from Christmas 1909, when Ernest Coyle played a character called "Billy Buttons" in a version of the pantomime at the West London Theatre.



The National Theatre exhibition is a light-hearted exploration of the archeaology of this enduring fable, a pretty evocation of past pleasures, with programmes and playbills, photographs and posters, nursery books and jigsaw puzzles, music covers and "books of words." There are 180 years of Cinderellas. George Formby and Lupino Lane play Buttons; Clarice Mayne and Phyllis Neilson-Terry the Prince, and Ethel Revnell and Gracie West the Ugly Sisters—and not one of them bothers a bit about sibling rivalry.

The lure of Tongan gold

COINS

JAMES MACKAY

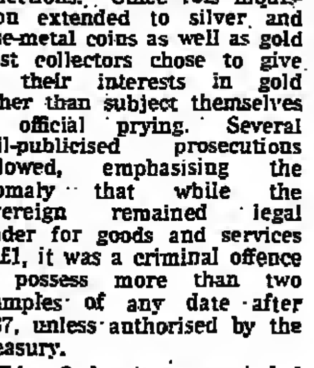
THE RECENT visit of H.M. Queen Mata'aho to the Pobjoy Mint in Surrey to strike the first of the 1983 Tongan Christmas coins reminds me of the major role in modern numismatics which this relatively small Pacific country has played.

In 1962 it issued a set of three gold coins — the quarter, half and one-Koula (the Polynesian word for gold). The coins were available at the time for £A35—£28 in sterling —but as that was more than my weekly salary, I reluctantly passed up the opportunity. I doubt if the Koula saw much circulation in its homeland since A£20 represented the average annual income in Tonga. The half Koula weighs rather less than a Krugerrand but is worth considerably more since its numismatic interest far outweighs its bullion content. The coins, with their majestic full-length standing portrait of Queen Salote on the obverse, became an immediate hit with collectors and triggered off the gold boom of the early 1960s.

For Britons, the bubble was burst by the Exchange Control (Gold Coins Exemption) Order of April 1966, a piece of instant legislation designed to check the boarding of gold which, in effect, applied strict controls on collectors who were thenceforward only permitted to bold more than four gold coins minted after 1837 if they registered as *bona fide* numismatists with the Treasury and completed a lengthy questionnaire detailing tha contents of their collections. Since tbis inquisition extended to silver and base-metal coins as well as gold most collectors chose to give up their interests in gold rather than subject themselves to official prying. Several well-publicised prosecutions followed, emphasising the anomaly that while the sovereign remained legal tender for goods and services of £1, it was a criminal offence to possess more than two examples of any date after 1837, unless authorised by the Treasury.

This Order was rescinded when the Conservatives returned to power and then, in large measure, restored by Labour in 1975, only to be waived by the present Government. This see-saw effect has, like the more recent imposition of VAT on gold coins, to some extent, undermined the British gold coin market, but at the bullion end of the spectrum rather than the numismatic one. Thus the British sovereign, even allowing for the novelty of the £½, £2 and £5 pieces marketed by the Royal Mint in recent years, has tended to fluctuate in line with the rise and fall of the bullion market.

On the other hand coins with a commemorative elament (and therefore a higher degree of numismatic interest), such as the Manx Royal Wedding set and the Canadian $100 coins, have tended to hold their investment value rather hetter. The Canadian "maples" have now become an annual event and the latest celebrating the 400th centenary of Britain's oldest colony, Newfoundland, seems very attractive in design and, more important, in issue price. Already designs are being prepared for the 1984 coin commemorating the 450th anniversary of Jaques Cartier, a subject that will go down well with French collectors, assuming that their government permits them to acquire them, of course.



Massive $50 piece minted 1915.

The gift of some Roman aurei by Sylvia Baron to her husband Sydney in 1930 started the family's remarkable collection which continued until his death in 1980. While Mrs Baron specialised in American coinage, and the children sought modern issues, Sydney set himself the task of acquiring at least one gold coin from every country that issued them. The Barton Family collection came under the hammer at Christie's in New York on December 8 and most of the 448 lots comprised gold pieces that range chronologically from a 5th Century B.C. electrum hektestater of Lesbos to the latest gold issues of 1980.

Inevitably, the strength of the collection lay in the American series, notable because of its comprehensiveness and the outstanding quality of the coins, which include the 1795 Eagle and the 1804 Half-Eagle, as well as the rare Stella, or $4 pattern of 1879, of which only 415 were minted, and which fetched $34,000. Now that the U.S. is to issue gold coins to mark the Los Angeles Olympics, interest in the commemorative gold last minted more than 60 years ago is on the increase.

The Baron Collection was complete in this respect and ranged from the diminutive gold dollars for the Louisiana Purchase (1903) and honouring Ulysses Grant (1922) to the mahhive $50 pieces of 1915 for the Panama-Pacific Exposition. Only 483 of the circular version, and 645 of the octagonal coins with dolphins added round the circumference, were issued and superb examples of both were included in this sale. The round coin made $34,000 and the octagonal $22,000.

The non-American section included such exotica as the Irish 'gunmoney' gold half-crown of 1690, the Zanzibar 2½ rials of 1881 and the minuscule but exceedingly rare Hawaiian eighth dollar of 1883.

Trevor Bailey looks at a new sponsorship deal

Boost for real cricket

WHY IS the county cricket championship so important? Apart from being the oldest, most demanding and hardest to win of all the top cricket competitions in the UK today, it is the cradle of Test cricket. But the other home contests with instant TV coverage and quick results, offer more glamour to the sponsor.

So all who love real cricket will rejoice at this week's news that Britannic Assurance is to sponsor the three-day game for three years starting next summer. This is costing the company £750,000 which will be paid to the Test and County Cricket Board.

The championship provides the base on which the first-class game in England bas been built, yet it is the most difficult to sell commercially.

Commercial organisations usually prefer a new competition with a new name, like the Gillette Cup, rather than sponsoring a long-established one. It takes longer for a company's name to become established and instantly associated with the event.

An the crowds for three day cricket, as indeed for most traditional sporting events have fallen dramatically since those packed houses of the 1940s and 1950s.

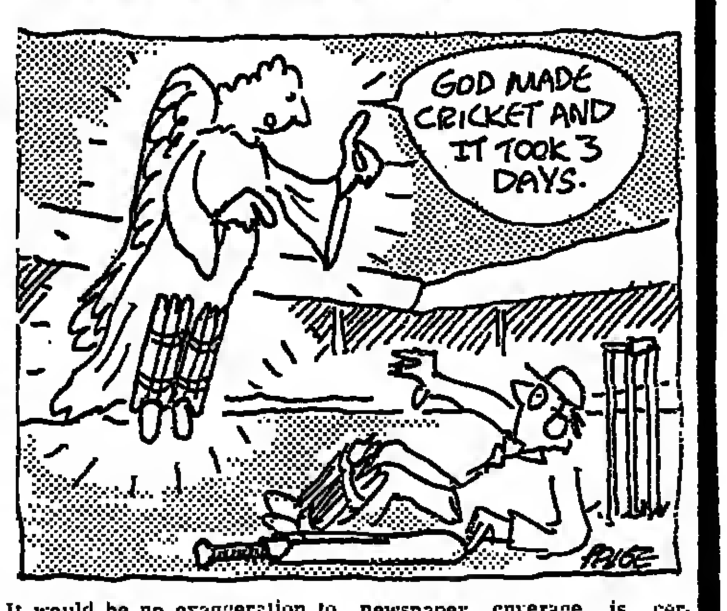
And, although there was a perfect end this summer for the Schweppes sponsorship of the championships—Essex snatching the title on the last day of the season—this was most unusual.

Normally the championship is settled much earlier, sometimes by mid-July and one can never create the atmophere or draw the crowds like a NatWest final. It has always been a long and rather untidy event without a set beginning and finish and with some clubs playing each other only once and a scoring system which has never been entirely satisfactory in spite of frequent changes.

Finally, unlike the other major cricket sponsorships, the Cornhill Tests, the Texaco Trophy—a one day international series starting this year and replacing the Prudential Trophy—the Nat West Trophy, the Benson and Hedges Cup and the John Player League, no television is guaranteed and is bound to be limited.

A three-day county match played in front of a few spectators does not command the same viewing appeal as a cricket Cup Tie or a John Player League game, especially designed for the box. Or a Test, of course.

The countries are extremely dependent upon the money they receive from national sponsorships, television and Test matches—£3m—of which over £2m comes from sponsorship.



It would be no exaggeration to say that none of the clubs could exist in their present form without this considerable cash injection and, even with it quite a few are unpleasantly close to liquidation.

Britannic, of course, hopes that sponsorship will increase its business, as certainly was the case with Cornhill, although it must be admitted they were batting on hoth a better and a far more expensive wicket.

With 260 district offices, Britannic is investigating the possible potential of local promotions at county grounds. Taking into consideration the large number of clients, these could prove beneficial — and there is plenty of room in the grounds.

The county championship has been renamed the Britannic Assurance Championship and will be avidly followed by a large number of people in the Press. Although the majority never see a county match the newspaper coverage is certainly valuable to the sponsor—with the company's name in print constantly without any financial call on the advertising department.

But the real reason to rejoice in this shot in the arm for the three-day game lies in the nature of the competition itself. Unlike the other forms of our domestic cricket, only a good-balanced team is likely to win the title.

To win, a county has to have bowlers capable of getting the opposition out twice and batsmen who can make runs in all circumstances.

This year, in the John Player League, Yorkshire, with probably their worst side in the history of the club, won the title. In that kind of cricket bowling maidens is usually more important than getting batsmen out.

It couldn't happen in the county championship. Or in Test matches, either.

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Saturday December 17 1983

Two kinds of productivity

E HAVE an odd habit in this intry of both rejoicing and eping at the same bit of ws. Productivity is sharply , that's splendid. But unployment is sharply up. it's terrible. Yet these are o pictures of the same event we have been squeezed into kling over-manning.

Another example. investment well up to international ndards; excellent! But the urn on capital in Britain is ful. Again. the cause is the ne: if you use every kind of entive to encourage investnt in a stagnant economy. e return is bound to fall. re plant, the same output (or tually the same). It's as nple as that.

laborate

It is not thought to be in od taste to point out that we ve been over-investing in this untry for a quarter of a cenry: a few years ago a Treasury onomic adviser got such a stile reception when he tried point this out that he felt mpelled to resign — and the ild who pointed out that the nperor had no clothes was obably made to feel unpopur. too.

Nevertheless, it is a fact, and e point has been driven home some recent figures from the ECD. Soma elaborate calculaons—elaborate simply because ia very difficult to compare pital and output in a world floating and changing changa rates—come up with me striking figures. They nfirm that it still takes 25-40 er cent more labour to produce unit of manufacturing output this country than in the most fficient economies — the U.S., rance, Germany and Japan.

This is the familiar producvity gap, and it has certainly arrowed since the figures were alculated. But it takes two or hree times more capital equipnent to do the job — a much igger gap that nobody talks bout.

quities

The good news. which does ot appear in these calculaions, is that the gap should now e beginning to close, because e did something about it four ears ago. We abolished exhange controls. That means, n principle, that nobody need nvest money here at low reurns if much higher returns re available somewhere else. The fact that some British quities are now, four years ater, beginning to attract quite eavy U.S. buying suggests hat not all our industrial apital is used as unrewardingly as the perennial moans from the Confederation of British Industry and the Bank of England would suggest.

It will be a creeping process, though, because we still have the same tax laws. This means that any British board of directors faced with an investment proposal, provided that it is paying any corporation tax, can divide all the cost estimates by two. You can use your money to buy plant, or you can pay half of it in tax. The money for this concession. which produces waste, is partly found by putting a tax on employment, and partly by taxing consumers. It is a perfect recipe for high unemployment and sluggish demand.

The result is that the investment of retained earnings is still liable to be misdirected. However, dynamic companies who want to expand with new capital raised in the market must now match international standards, and that's a great deal better than no progress.

It takes just as long to change patterns of thought as it does to change patterns of investment so we should be ready for a long stream of scare stories about inadequate investment as the great blot on the new economics —especially from the Labour Party, which is elected from time to time to represent workers, and promptly devices new ways of throwing them out of work in its incurable machine-worship.

Generous

However, anyona who feels alarmed by these warnings should reflect for a moment about the recovery now going on in two English-speaking countries, the U.S. and Australia. In both countries real pay rates are at a standstill or falling — yet spending is rising as fast in this country as in Australia, and faster in the U.S. In both there are worries about low investment and sluggish labour productivity; but unemployment is well down.

The secret in both countries is that the missing factor, the productivity of capital, is rising fast. Employers are using more workers and extra shifts to get more output from the same plant. Spending rises because more people are earning, and they no longer worry about being made redundant. Profits rise because the real return on capital is up. And in Australia. where they have a generous welfare system. the fall in unemployment will in due course do wonders for the budget balance. The same would happen here.

Of course, this process can't go for ever; in the end rising output must be supported by additional plant. In this country, though, the figures suggest that it could go on for a very long time, helping profits, the government deficit and employment all at the same time. If Mr Lawson decided in March to finance his tax cuts by cutting investment subsidies rather than pushing up rates and electricity prices, we might get going in good earnest.

Midland learns the hard way

By David Lascelles and William Hall

MIDLAND BANK is learning the hard way that there are no easy bucks to be made in the U.S. After this week's news of loan problems at Crocker National Bank, its Californian subsidiary, it faces a huge cut in profits—and a hard slog to justify the costliest takeover ever made in the U.S. banking market.

The damage can be all too easily measured. In 1981, Midland paid $820m for a controlling 57 per cent interest in Crocker, the 11th largest bank in the U.S. and one of the biggest in the wealthy California market. As the price of Crocker's remaining publicly-held shares slumped on Wall Street this week, the value of that investment fell to just over $300m. Shares for which Midland had paid over $60 were changing hands for only $25.

By any standards, that must rank as a financial setback of major proportions, "disaster" was how some people described it in the City yesterday. But in Midland's case it also deals a blow to its efforts to establish itself as a big player on the international scene — where it was something of a latecomer.

The irony behind the trouble at Crocker is that the investment was supposed to symbolise Midland's transformation from a big but basically British bank into one with a global presence. "Test us — we deliver" proclaimed Midland's ads against a map of the world. But Crocker has so far earned Midland barely a cent, while landing it with problem loans not just in California, but also $2.4bn worth in Latin America.

The immediate cause of this week's trouble was Crocker's decision to make a $107m charge against its profits as a reserve against loans to property developers and farmers which have either gone sour or look dicey because of the long slump in property and commodity prices. This will lop as much as a quarter off the profits that Midland was hoping to make this year.

U.S. bank inspectors, who have cracked down this year because of rising bankruptcies and the LDC debt crisis, triggered the action because they were not satisfied with what Crocker had done — which raises the more serious underlying issue of how well Crocker's managers are running the bank, and how closely Midland is watching over its $820m investment.

The UK bank has been adopting a hands-off policy because in 1981 the Americans made it clear that Midland could not have total control over a bank of Crocker's size. Officially, the deal was never called a takeover but an "investment," and the documents contain a clause where Midland guarantees "maximum operational autonomy" to Crocker management. Because of this, Midland has no top executives in the bank, and its closest control is through its three men on the board, including Mr Geoffrey Taylor, Midland's chief executive.

By contrast, Midland's rival National Westminster, recruited virtually its entire top management for the New York-based National Bank of North America which it bought at the sama time, and now has three of the top 15 executives.

Midland is moving to put this right. Two of its board members have been deputed to "work closely" with Crocker management to scrutinise the bank's performance and tighten up the relationship. Judging by some pointed comments emanating from Crocker headquarters in San Francisco they will not be welcomed with open arms, and there may well be tense moments while Midland asserts itself. The autonomy clause may not be rewritten, but tha indications from Midland are that it will in practice.

Crocker is not alone in having problems in Californian real estate, but it does appear to be more heavily involved relative to its size and was also slower in pulling out when the warning signals began flashing.

Mr Owen Harper, the 45-year-old executive vice-president at Crocker, whose job it is to co-ordinate relationships with Midland Bank, says that the main problem area is the bank's 31.3bn portfolio of construction finance loans: These are mainly loans to property developers to buy land and develop offices. California is now littered with half-built construction sites and empty offices because of over-ambitious forecasts about the state's growth rate.

Flush with new capital resulting from the Midland investment in 1980/81, Crocker expanded aggressively in the local property market in a bid to win market share. When the recession hit California it felt able to stand by its customers while other banks were foreclosing on their loans. With hindsight, this decision looks wrong.

Crocker, in common with some other Californian banks has also been hit by the recession in the U.S. In the past when farmers ran into financial difficulty they could sell off farm land to meet their obligations, but for the first time in a couple of decades the price of Californian farmland has been declining.

Mr John Place, Crocker's chairman, says that the sale of farmland to reduce the indebtedness of some of the bank's customers has not been feasible in 1983 because of the depressed state of the market although he sees some signs of improvement.

In London, the 10 days since news of tha $107m charge first filtered through internally, have been quite traumatic for Midland. The size of the problem —indeed the fact that it existed at all—was evidently a shock. Only two months ago, Midland put together a detailed public exposé of its finances when it filed a prospectus with the SEC in the U.S. for a $400m bond issue. That contained no suggestion of trouble.

Mr Taylor, the chief executive, maintains that the charge could not have been foreseen at the time. He says that once Crocker management found a change was inescapable, "they decided that if they were going to take a bath they would take a big one." But this means, he says, that Crocker has been cleaned out, and is now in a position to become profitable again next year.

He is also keen to get through the debacle with the least amount of bloodshed. He still has "full confidence" in Crocker management and plans no personnel changes, though what he calls "executive lines" between the two banks will be strengthened.

He points out that, while Crocker could have done a better job with the capital Midland invested in it, "they were not entirely stupid with our money."

A good part of it financed the construction of two office blocks in Los Angeles and one in San Francisco, which could prove lucrative. But as a City analyst commented drily yesterday, there are easier ways to get into the California commercial property business.

Given that Midland's problems are not unique, the affair underlines the special challenge that faces foreigners tackling the U.S. market. As Mr Taylor concedes, the British, with their informal bank regulation handled by the Bank of England, find it hard to understand the tightly controlled U.S. system, with its frequent examinations and stringent disclosure rules. So management has to be left as much as possible to Americans who are presumed to be at home with regulation. Yet at the same time, the reins must remain in the parents' hands.

As it struggles to restore Crocker's badly dented image, Midland may well be wishing it had never got involved in the first place. But as a competitor says: "They're stuck with it; they've got to keep going." And clearly, if all goes well, Crocker could still become a major asset: a prosperous bank in the U.S.'s best market able to raise dollars and deal along the Pacific rim. This is why the ultimate solution to the Crocker dilemma may well lie in Midland moving to buy total control of the bank. At this week's prices, Crocker's remaining shares might be a bargain it cannot afford to turn down.

Springs

Mr Geoffrey Taylor, Midland chief executive (left), Mr John Place, Crocker's chairman and the twin-towered Los Angeles block.

'The U.S.—a very tough market to be in'

BRITISH BANKS have spent over $2.3bn to get a foothold in the U.S., the biggest banking market in the world. To date, however, they have little to show for their trouble.

Midland's problems with its Crocker investment are only the latest chapter in the lack-lustre record of Britain's clearing banks in the U.S. UK bank are among only a handful of major world banks which can afford a major commitment in the U.S. Tere is how they have shaped up:

Barclays, which has the reputation of being the best run of the major UK clearing banks, took a flyer on becoming a major lender to some high-risk U.S. energy companies at a time when oil prices were going through the roof. The result was that the group's U.S. operations lost £32m on assets of £7.3bn last year and just about broke even in the first half of the current year.

Mr Brian Pearse, one of the group's most senior executives, was sent to the U.S. at the start of the year and is beginning to sort things out. But the bank is nowhere near making the returns that Barclays shareholders earn on their retail banking business in the UK.

Lloyds Bank's Californian retail banking operation lost money in 1981 and 1982. Like Crockers. It is being squeezed by industry giants such as [Ba]nk of America and has faced real estate problems. Rather late in the day, Lloyds dispatched a senior executive, Mr Fred Crawley, to California to see what could be done. Since then, there has been some improvement in profitability. Lloyds must be wondering, however, whether it will ever make a decent return in the Californian retail banking market, once considered the most attractive and fastest growing market in the U.S. But no more, as Crocker's problems demonstrate.

National Westminster has had more than its share of criticism for spending so much on acquiring a run-down bank, National Bank of North America. It has had to inject extra equity capital, revamp the computer system and alter the senior management.

It has renamed the bank the National Westminster Bank USA, to "underscore the successful completion of a programme of internal reorganisation and restructuring" and is beginning to see some improvement. But its domestic U.S. banking operation still ranks among the least profitable of the top 30 banks in the U.S.

On the other hand, the UK parent has become a significant factor in the U.S. energy industry and has avoided the problems which are dogging Barclays because it concentrates on servicing only the top companies in the industry. NatWest has recently been spending heavily on a major advertising campaign to let Americans know about "the Action Bank" as it likes to call itself.

British bankers in the U.S. insist that they have taken most of the nasty decisions already and that the corner is being turned. However, as the major U.S. banks have retreated from the international banking market, they have redeployed their loan officers in the U.S. As a result, margins are being driven down and foreign banks are under pressure.

"It is a very tough market to be in," said the head of one UK clearing banks in the U.S. yesterday. However, he stressed that if a UK bank wanted to be considered a major player in international banking it needed a major presence in the U.S. even if shareholders would have to wait a long time for a decent return on their money.

Letters to the Editor

Conveyancing

From Mr D. Ashton-Spencer

Sir, — Mr Alan D. Roper (December 9) wrote a sturdy defence of legal delays in conveyancing. My own experiences of buying six and selling five houses scarcely substantiate his claims, neither does my personal experience of many solicitors and their offices over the last 50 years.

In my own property transactions, my 10 solicitors and most of those of the other parties failed to impress me, either with speed or with accuracy. Having learnt a lesson the hard way on 10 occasions, I decided to engage what Mr Roper might prefer to call an unqualified organisation. Speedy response to all enquiries with satisfactory and correct answers, better advica than the vendor apparently received, and a saving of several hundred pounds mean more to me than any amount of rhetoric.

Perhaps Mr Roper would try to justify even greater legal delays in the area of probate. He may be aware that not all that many years ago in his own county of Hertfordshire one person, not a solicitor, dealt, inter alia, with about 300 cases annually. The relative grants were received by the applicant within two weeks. The remaining cases usually required a further affidavit which caused a delay of a few days.

Emergencies were completed within a week — application could be on Monday, taking the oath on Wednesday and collect the grant on Friday, or by post on Saturday.

Human nature being what it is, there were inevitable complaints. These were usually made by a friend or a relative who accompanied the applicant, and who had had previous experience of probate application having been made to a local solicitor.

These complaints always took the same form. No action for about a year followed by a demand for costs. Weeks or months later, stage two would follow. Any request for an explanation of the delay was met with vague remarks concerning the amount of back-room work involved. These explanations were seldom believed especially when the applicant was an elderly lady in a state of distress often reduced to borrowing money for existence.

Had Mr Roper been present and listened to the opinions of these old ladies, he would have had no doubts as to whether they would have been impressed by his disarming rhetoric.

D. C. Ashton-Spencer.
105 Friars Lane,
Barrow-in-Furness, Cumbria

From Mr P. Brown

Sir, — Alan Roper's letter (December 9) typifies the attitude commercial and domestic property ownars resent when faced with the conveyancing monopoly.

His argument that saving costs could only be achieved by "substantially" lowering the quality of conveyancing service is nonsense. Capable older people and other groups, disadvantaged in a professional sense by not being able and willing to obtain articles in their teens and twenties, could be trained as first-class conveyancing specialists at a fraction of the cost necessarily spent to train a full solicitor. They could operate from less prestigious addresses or be employed by building societies whose prime sites would appear able to accommodate an extra desk or two at little increase in overheads.

The removal of monopoly rights might well speed up the establishment of a computerised national land register that would slash the time and cost of search procedures.

The only valid argument is cross-subsidy to necessary, but currently uneconomic, solicitors' services. But in a world where such subsidies are shown to underpin so much of the English disease, I hope that MPs will not allow this essentially Socialist argument to sway them from the need to open up all areas of our economy to controlled competition.

Peter M. Brown.
Flat 9, 12, Hyde Park Place, W2.

Cigarettes

From the Director,
Action on Smoking and Health

Sir,—In his piece "Arts sponsorship gets practical" (December 13), Antony Thorncroft says that the major oil and tobacco companies are "continually refining their commitment. Imperial Tobacco, for example, now puts all its money through John Player." Ha goes on to say that there are as many reasons fot sponsorship as there are arts avents.

This is innocent to the point of being naïve. Tobacco companies sponsor srt for two reasons only: to ingratiate themselves with governments who might otherwise harm their livelihood by taking effective action to reduce smoking because of the appalling disease and premature deaths it causes; and to be able to advertise their wretched products in ways no longer permitted in regular cigarette advertising—for example, associating a cigarette brand's name, colours and logo with pleasant or laudable images, personalities and events, with no health warnings.

For those of us trying to reduce this country's largest avoidable cause of illness, disability and premature death, it is just plain sick that a product which kills about a quarter of its customers should be associated with excellence in the arts. If Antony Thorncroft is right that no company spends more than £300,000 a year on arts sponsorship, it is outrageous that such cynical and inappropriate association is permitted at all. With one extra penny on a packet of cigarettes likely to bring in some £50m extra to the Exchequer, the tobacco industry's art sponsorship could easily be replaced with a dramatic increase of Governmant subsidies to the arts at the same time—by a simple word from the Chancellor.

David Simpson.
5-11 Mortimer Street, W1.

Soya

From Mr C. Thompson.

Sir,—In the Lombard column by Ian Davidson (December 9) reference is made to the use of soya bean meal as animal feedstuff in the Community. Is there not another important factor in the equation regarding milk production? The crushing of soya beans to obtain meal results in the production of large amounts of soya oil which must be sold on the markets and the end uses of this oil must be in competition with milk products. Possibly a reduction in consumption of soya meal will cause U.S. farmers to switch to grain crops? Are there not more factors in the game than those mentioned by Davidson?

C. W. Thompson,
"Stable Lodge,"
Chedington,
Near Beaminster,
Dorset.

Derbyshire

From Mr P. Oppenheim, MP

Sir,—I feel that some counterbalance is needed to the report (December 6) from Derbyshire County Council concerning rate increases and Government support.

Over the past four years, far from reducing its support, the Government grant to Derbyshire County Council has increased from £139m to £180.9m. Any rate increase over that period is largely the result of the council's overspending.

It is only in the past year that the Government has set targets for local authority expenditure in an attempt to curb excessive overspending. The financial penalty incurred last year by the council involved a withholding of approximately 4 per cent of the government grant. Rates, however, have risen by 40 per cent over the past two years at a time when inflation has fallen to approximately 5 per cent.

We would all like to increase services but the council is irresponsible in doing so when it does not have the means without penalising the ratepayers. It is totally irresponsible of the council to overspend, often on unnecessary projects, hand the cost of an extravagant spending spree on to the ratepayers and subsequently blame the Government.

Phillip Oppenheim,
House of Commons, SW1.

Monopoly

From the President,
Henry George Institute

Sir,—This is in reference to the letter in your November 18 issue from Victor H. Watson, chairman of John Waddington, concerning the game Monopoly.

Mr Watson refers to a letter from Henry Law in your October 29 issue stating that Monopoly derived from an earlier game, the Landlord's Game, invented by Elizabeth Magie Phillips, a follower of Henry George, in order to reach single tax principles. Mr Watson says that "Mr Law has got it wrong."

No, Mr Law has not got it wrong. After a long legal proceeding, it has been decided that the above is exactly the case. Mr Watson makes much of the fact thst the so-called "inventor," Charles Darrow, produced a little variation on the Landlord's Game and therefore deserves all the honour (and, we must add, all the money he got from the game).

Mr Darrow did say he invented the game and gave no credit to Mrs Phillips, from whom he learned the game; Parker Bros did feature Mr Dsrrow as the inventor, and her name was never mentioned, even after the truth was learned. The game invented by Mrs Phillips was played by many persons, and many variations were introduced, including some by Mrs Phillips herself.

It is too late for Elizabeth Magie Phillips to profit from the game. Let her have st lesst a little credit from those who are making millions on it.

Robert Clancy.
Henry George Institute,
5, East 44th Street,
New York, NY 10017

Speed

From Mr J. Harrington

Sir,—The trouble with speed limits (Stuart Marshall, December 10) is that they have been set with a "cry wolf" mentality. The arbitrary limit on so many roads is so clearly far below the speed that can safely be driven (in good weather snd road conditions) that motorists continue to ignore speed limits when they are set for safety: ie, in locations where road conditions or likelihood of pedestrians make them maximum safe speeds.

If speeds outside built-up areas were set with a clear choice of safety (ie, speeds 10 mph faster are clearly dangerous) then motorists would recognise the value of obeying them—with s resultant drop in accidents, and a lot of satisfaction from being able to drive on stretches of motorway at safe speeds of 100 mph or more.

J. R. Harrington,
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made for another excellent year in the London stock market.

The FT 30 share index has leapt upwards in a series of kangaroo bounds to break through 700 for the first time during the general election campaign in May and peak on December 8 at 760.2—more than 27 per cent above the New Year level.

Investors' confidence has been fuelled by a declining inflation rate, which in turn has helped corporate profits rise at an average of 20 per cent as recovery has spread more widely.

Companies raising new money have had a bonanza and around £2bn worth of new shares has flooded on to the equity market in rights issues, topping the 1981 record of £1.8bn.

The Government has sold another £700m worth of equities—mainly in BP, Britoil and Cable & Wireless—which is more than twice as much as it sold in 1982.

A further £500m has been raised in new issues and placings by the private sector. An estimated £150m or more was raised through the flourishing Unlisted Securities Market, which welcomed 87 new companies into the fold in its third year, bringing the total to more than 200.

Investors' appetites for new shares do not seem to have been diminished by the stream of gilts which the Bank of England has been pouring down the market's throat.

It looks as if £9.5bn worth of gilts will have been sold by the end of the tax year—against £8bn in 1982-83—while the average yield on long-term government stock this year has been around twice the average for company shares.

Some of the rise in equity values has been fuelled by takeover euphoria.

The number of bids has not been huge and some of them have been strenuously resisted, or chewed over lengthily by the Monopolies Commission, but the market has seen some of the biggest takeover battles ever.

Companies which have seen their share prices rise as they have pulled out of recession have taken the opportunity to use their paper to pounce on less fortunate victims which have been slower to recover. And there is nothing like a bid to push up a target's shares.

The attentions of BAT Industries, the diversified tobacco group, and Allianz Versicherung, West Germany's largest insurer, have seen Eagle Star's over the year to 720p last night. Allianz first offered £692m for the insurance composite in October and since then the two bidders have leapfrogged with BAT now leading the race to win the market's largest takeover battle in cash terms, with its £934m offer, made last Wednesday.

1983: an excellent year for the market

The shots have ricocheted around the composite insurance sector—where shares on average have appreciated by some 45 per cent—as investors have speculated on an alternative victim for whichever of the Eagle Star suitors loses out.

Another bid which has yet to be resolved is Trafalgar House's £290m offer for P & O, which was launched in May and is now awaiting approval by the Monopolies and Mergers Commission.

The expectation it has created has pitched P & O into the big companies' winners list, where its shares have appreciated by 125 per cent since the New Year.

After the *Allianz-Eagle Star* struggle, the next largest bid was BTR's successful £660m offer for Thomas Tilling which culminated in June after two months' staunch resistance by the Tilling board. Hanson Trust comes fourth in the big spenders' league with its £260m takeover of UDS in April, before counting its latest £170m bid for London Brick.

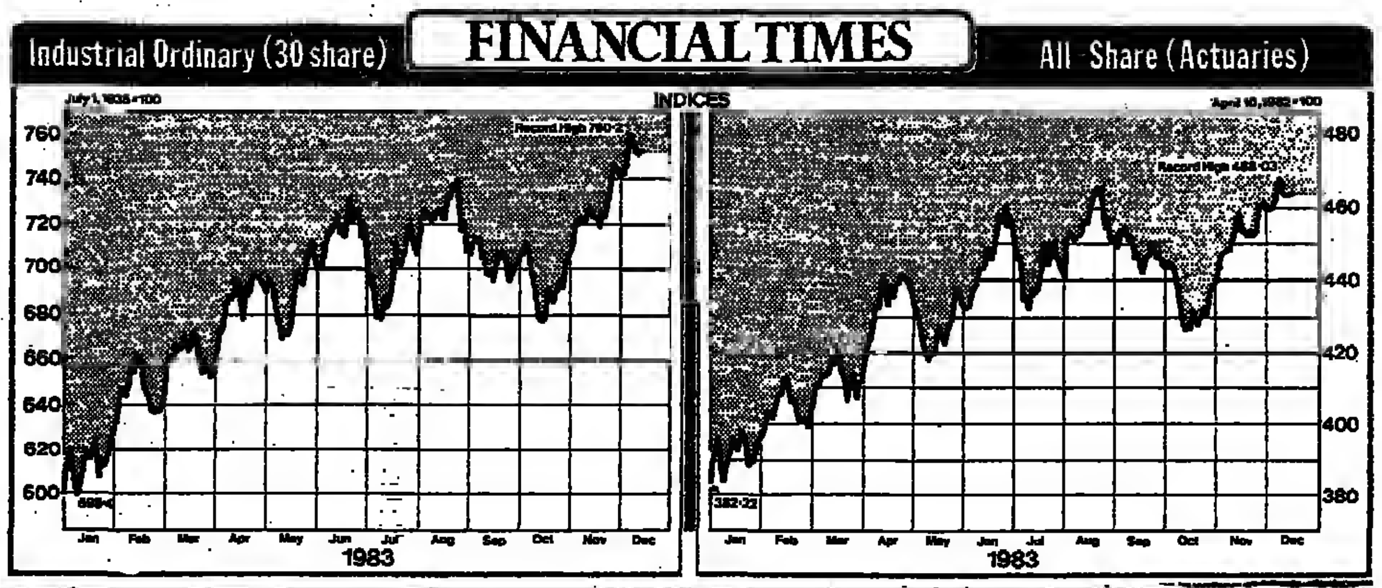
Increasing interest by U.S. investors in UK stocks has also helped to drive up the values of some blue chip shares. Over the year, U.S. buyers have picked up around 10 per cent of the shares in ICI which achieved a New York listing in November, and saw its price rise by 81 per cent, narrowly missing a place in the winners' table.

However, investors have also been influenced by the 119 per cent increase in ICI's profits for the first nine months and the group looks well on track to match its 1979 peak of £613m for the year.

ICI's performance has helped to make the chemicals sector the best performing group of shares of the year so far, with an average increase of 62 per cent in values.

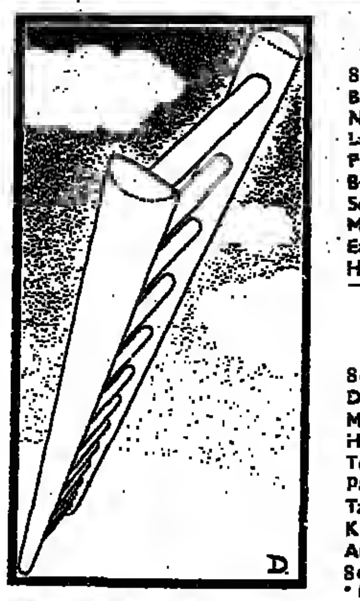
Straightforward profits improvement was also the driving force behind the success of BSR International's shares, which have almost quadrupled in value over the year, making it the most successful big company investment. The one-time Midlands group, now based for tax purposes in Hong Kong, turned a loss of £1.8m into a pre-tax profit of £6.2m in the first half of its financial year, and delighted the market with its first dividend payment since 1981.

BSR was until recently Britain's leading manufacturer of record changers, struggling with an outmoded product in



WINNERS

LOSERS



CAPITALISED AT OVER £50m ON JANUARY 1 1983

Winners	% change on year	Losers	% change on year
BSR International	283	London & Liverpool	−80
BL	253	Burnett & Hallamshire	−80
News International	221	UEI	−51
Lex Service	146	SGB Group	−48
Peninsula & Orient	125	Davy Corp	−40
Britannia Arrow	121	Greene King	−35
Sound Diffusion	111	Racal Electronics	−32
Mercury Secs	108	F.J.C. Lilley	−29
Eagle Star	96	Nurdin & Peacock	−29
Hill Samuel	95	Electronic Rentals	−29

CAPITALISED AT UNDER £50m ON JANUARY 1 1983

Winners	% change on year	Losers	% change on year
Bellair Cosmetic	2,309	Ashley Industrial Trust	−74
Dollonds Photographic	1,122	Breville Europe *	−71
Meggitt Hldgs	830	Hong Kong Rubber	−68
Harold Ingram	700	Michael Slack*	−68
Tops Estates*	690	Combined Technologies	−65
Pavilion Leisure	592	Bio-Isolates*	−65
Tace	536	Bonusbond Hdgs	−63
Kraft Productions	525	Humberside Electronic*	−61
Anglo African	524	Branon	−59
Belgrave (Blackheath)	500	Wiltaire Systems*	−57

* USM. All percentages at close of business 12.12.83 Source: Datastream

a declining market which was being put under increasing pressure by cheap overseas competition. But since it acquired a stake three years ago in Astec, a Hong Kong-based maker of computer power switching devices, BSR has recovered steadily in a growing market.

Underpinning the general rise in equity values has been a tendency by institutions to invest less cash abroad and build up their UK portfolios.

Pension fund and insurance company cash flows should be up by around £1.2bn to £13.4bn this year, according to estimates by stockbrokers Phillips and Drew. It looks as if they will spend £3.7bn on UK shares—15 per cent up on last year—and £2.8bn on overseas investments, 12 per cent less than in 1982.

The rise in share prices, however, has been far from uniformly spread between the sectors.

Former glamour stocks have been unceremoniously dumped into the laggards' league, while indifferent performers have chugged into life. At the same time, there is far less of a spread between the performance of the top and bottom sectors than last year.

Electricals are the most notable entrant to the doghouse.

The sector was high in the performance charts in 1982 because investors saw electricals as resistant to recession. They now see the sector as overvalued against stocks likely to benefit from strong cyclical earnings recovery like chemicals and textiles.

The result is that the electricals sector index lost 4 per cent of its value, making it the second worst performer of the year.

This does not mean that electrical companies entirely ran out of steam. Racal Electronics, for instance, achieved an 11 per cent profits increase. But that company was rewarded with a plunge three times that size in its share price, and only this week GEC was hit by an unexpected, if slight, decline in half-time profits.

Brewers and distillers had an equally dramatic reversal of fortunes. Beer sales were as flat as a pint of real ale, in spite of the long hot summer. Regional brewers—like Boddingtons and Greene King, which make a rare appearance among the losers—were worse hit than the majors because they sell less lager, which is more popular in hot weather.

The bleakest sector by far has been contracting and construction, where a representative portfolio would have lost around 9 per cent of its value over the year.

Margins have been tight and there has been 3 per cent less non-housing work in real terms available in the UK than last year.

Blackwood Hodge, the world's largest distributor of earth-moving equipment, has been the sector's chief laggard, with its shares falling by more than 50 per cent in value, although its problems are not so much centred in the UK as worldwide. Its developing nation customers remain as much in the economic doldrums as ever. The group has swung into heavy losses, debt is running at 158 per cent of shareholders' funds, and the directors see no sign of an upturn in any of their markets.

The most notable revival of fortunes took place in the newspaper sector, where shares on average have risen by more than 65 per cent thanks to one over-riding influence: the windfall which Reuters news agency is likely to bring to its newspaper publishing shareholders when the Reuters board floats off the company next year for a market value of perhaps £1bn.

Record car sales on the back of "A" registration fever last summer have given a healthy boost to motor industry shares. They have climbed from near the bottom of the sector list to four places short of the top, with a gain of some 53 per cent. Lex Service was the star performer here, buoyed up also by its thriving electronic components distribution business.

Meanwhile, the tiny 0.35 per cent proportion of British Leyland shares in public hands has multiplied in value more than three times to £8.7m, making the group the second most successful in the big company share list.

The rise was only partly fuelled by a good set of results. Investors are also speculating on the theory—however flimsily based—that ownership of BL shares may put their holders at the head of the queue for any privatisation benefits.

For the nimble-footed and strong in heart, however, there were much larger fortunes to be made in the more obscure corners of the stock market.

If Asil Nadir's Polly Peck was the hottest performer of 1982, Turkish delight appeared to be the taste of the year again this time.

When Mehmet Tacÿner and Yalcin Akcay approached struggling little Bellair Cosmetic via their Leichtenstein-based Wasskon Establishment in April, Bellair's share price shot from 28p to 78p before being suspended while Wasskon in on the belief that Bellair would be used as a vehicle for a much larger operation—à la Polly Peck—and drove the price up to 700p by mid-September. Since then, no deal has been announced, and the price has come back to 530p.

But anybody who was lucky enough to have invested £100 in Bellair in January could still have walked away this week with a Christmas profit of £2,309.

The pattern repeated itself when Wasskon bid £1.95m for a pedestrian maker of knitted garments, Harold Ingram, on August 12. In the next two days of trading, Ingram's shares—which started the year at 23p—rocketed from 85p to 328p, before being suspended at 300p.

They later climbed further to 400p, offering January investors a 1,500 per cent gain, only to sink back to 200p by the end of the year.

The Turkish touch is, however, far from infallible. Touker Suleyman's Mellins was the leader in 1982 by a huge margin, but this year has fallen on hard times.

It would have been far worse if he had not managed to escape from his planned takeover of Bambers Stores, which promptly went bankrupt amidst angry recriminations. Besides Bambers, Mettoy, Cope Sportswear, Gartons and Scoterns are just some of the companies which joined the corporate graveyard in 1983.

Among the survivors, the flopped stock of the year award goes to London & Liverpool Trust. Though far from bankrupt, this lost 80 per cent of its value since January, after being one of 1982's outperformers, when its shares gained by 763 per cent.

Anybody who invested in London and Liverpool at its peak of 700p in February would have seen their equity reduced to one twentieth of its former value at this week's level of 35p.

The stock had been propelled skywards by market excitement over projected profits from the group's Telejector subsidiary, only to be let down with a bump when the video screen operation ran into technical problems and controversy over its sales methods.

Other flops include Breville Europe, a toasted sandwich maker on the USM. Its shares lost 71 per cent of their value as it became clear that the toaster market, of which it has a 50 per cent share, was drying up.

But this has not been a year for wasting energy worrying about flops. In a period when 20 shares have increased in value by at least 300 per cent, it has been a time for celebration on the part of many investors.

Weekend Brief

Nalgo's key role in the TUC voting

There was an examination yesterday by the executive committee of the National and Local Government Officers' Association of the way the four Nalgo members on the TUC General Council voted this week on the Stockport Messenger dispute. As expected, it highlighted the peculiar oddities which sometimes emerge when 51 people, representing 10m workers in 100 trade unions in thousands of jobs, try to reach a decision on anything.

According to *one view*, it is entirely democratic for events which affect the whole of the trade union movement — as the National Graphical Association's dispute with Mr "Eddie" Shah and the Messenger came to do —to be decided by the leading body, even if it does by the nature of the democratic process, come down to a few votes deciding it either way.

But according to another view — after endless rounds of court appearances, sequestration of funds, fines, 4,500 pickets fighting police in the middle of the night in Cheshire, and a national newspaper strike, it is ludicrous that the fate of the NGA, and even the authority and future of Mr Len Murray, the TUC's general secretary, is decided by union leaders representing musicians, building workers and white-collar council staff.

The switching to the cause of the Right by Mr John Morton of the Musicians and by Mr Les Wood of the Builders — both usually left-wingers in the TUC —is one of the reasons why the vote against the NGA and in favour of Mr Murray moved away from the predicted close split to the clear — though still uncomfortable — majority of 29 votes to 21.

The other reason is the divisions in the ranks of the Nalgo group, which suddenly—especially to the four Nalgo leaders involved — found itself the fulcrum upon which the fate of the dispute, Mr Murray, and to listen to some, the whole of the trade union movement turned.

Three weeks ago, Nalgo — a union not mainly noted for its militancy — approved at its executive a resolution from its north-west region urging support for the NGA. While the dispute was certainly notable at the time, particularly in the north-west around Warrington, it was far from reaching then this week's national prominence.

Roger Taylor

John Daly, Nalgo's new leader.

For many unions, such gestures of support were at best purely rhetorical.

However, Nalgo's support—or at least its vote — had unlike that of most unions to be put to the test. This was because Ms Ada Maddocks, its mild-mannered national officer for the NHS, was a member of the TUC's key employment policy committee, which in the first instance had to take decisions about supporting the NGA.

In the employment committee vote this week — which according to Mr Murray went the wrong way — Ms Maddocks voted against giving support to the NGA, and in doing so went against the executive decision of her union. There are two theories about why she did this. First, that as a separately elected female member of the General Council, rather than a Nalgo appointee, she was not bound by union policy. Secondly, that before the vote was taken she consulted closely about which way to go with the moderate Mr John Daly, Nalgo's new general secretary.

After detailed calculations on Tuesday, apportioning General Council members crudely between the political Left and Right, it became clear that the Nalgo vote was crucial. Journalists vied with *TUC* officials in keeping the 'phone lines to Nalgo busy to try to find out which way the union's four members would go.

Scottish vice-president Mr Norrie Steele, a Left-winger, was clearly going to support the NGA. Ms Maddocks seemed likely to stick to her vote against support.

Mr Daly, only newly on the General Council, seemed unlikely to vote against Mr Murray simply because of possible opprobrium from his own executive — particularly when as the new man he might soon have to exercise his authority there.

Suddenly, it all came down upon Mr Bill Gill, the other vice-president, from Carlisle. Formerly a hammer of the Left in Nalgo, Mr Gill was conscious that the original resolution for NGA support came from his own region.

So after an early meeting on Wednesday morning which was unable to resolve the differences between them, the Nalgo delegation went to the TUC determined to "listen how the debate goes" and with an uneasy agreement to meet at lunchtime, or in the coffee-break, to try to reach a common view.

In the event, each stuck to his — or her — own. Loyalists Mr Daly and Ms Maddocks voted with the Right. Mr Steele voted with the Left. And Mr Gill? He voted first with the Left — and then in the next vote with the Right.

He said yesterday: "Since we had lost the debate, I was more than willing to vote to maintain as much unity as possible — although I did not like it." For the sake of its future unity and effectiveness, the problem for the TUC and Mr Murray's authority is that more of the 21 voting against him did not heed Mr Gill's example and follow suit.

BUILDING SOCIETY RATES

	Share a/cs %	Sub'pn shares %	Others %	
Abbey National	7.25	8.25	9.00	2-year Bondshare, 90 days' notice and penalty
			8.25	High Option, 80 days' notice. No penalty
			8.25	7 days' notice. No interest penalty
Aid to Thrift	8.50	—	—	
Alliance	7.25	8.25	9.00	2 years, 3 months' notice/penalty
			8.50	28 days' notice. Imm. withdwl., 28 days' penalty
			8.25	7 days' notice. No interest penalty
Anglia	7.25	8.25	8.75	3-year Bond. No notice. 3 months' penalty
			8.50	Capital Share. No notice. 1 month's penalty
Bradford and Bingley	7.25	8.25	8.50	1 month's notice or on demand
			8.25	7 days' notice
Britannia	7.25	8.25	8.25	7 days' notice, 8.50 2 months' notice
Cardiff	8.00	8.75	—	
	*8.50	—	—	* Share account balance £10,000 and over
Catholic	7.50	8.50	8.50	6-month deposits. Monthly income
Century (Edinburgh)	7.75	—	8.75	2/3 years. Details supplied
Chelsea	7.25	8.25	8.75	Immed. withdrawal (int. pen.) or 1 mth.'s not.
Cheltenham and Gloucester	7.25	8.25	8.25	Gold account £1,000 + no notice no penalties. Monthly interest. £5,000 minimum, 8.57 if compounded
Citizens Regency	7.50	9.00	8.40	plus account no penalty. Double option 8.50
City of London (The)	7.50	8.25	9.00	6 months' notice—no penalty
Derbyshire	7.25	8.50	9.00	8.25 1 month's not., 7.75-8.60 3 months' notice
Greenwich	7.25	8.50	8.50	(max.) at 28 days' notice/penalty
Guardian	7.50	—	8.75	3 months, £1,000 minimum
Halifax	7.25	8.25	8.25	Xtra Interest, 7 days' notice, no penalty
			8.50	Xtra Interest Plus, 3 months' notice no penalty
			9.00	High Growth Bond, 3 months' notice/penalty
Heart of England	7.25	8.50	9.00	8.25 5-day Notice Account
Hemel Hempstead	7.25	8.50	8.75	3 years, 8.50 28 days
Hendon	8.25	—	8.75	3 months
Lambeth	7.50	8.75	8.10	28 days plus loss of interest, 8.25 3 mths.
Leamington Spa	7.35	—	8.50	Top Ten. 8.75 Lion Share
Leeds and Holbeck	7.25	9.00	9.00	2 years with monthly int. 8.50 1 month's pen.
Leeds Permanent	7.25	8.25	8.50	Ex. Int. £500 min., 28 days' notice/penalty
Leicester	7.25	8.25	8.25	3 months
London and Grosvenor	7.75	—	8.25	High Yield (1 month)
London Permanent	7.75	—	8.75	1-year term. Imm. wdl. with loss of 1% bonus
Midshires	7.25	8.25	8.25	7 days' notice, £500 minimum
Mornington	8.50	8.50	—	
National Counties	7.25	8.55	9.10	28 days' notice £500 minimum
National and Provincial	7.25	8.25	8.50	1 month's notice plus monthly income
Nationwide	7.25	8.25	8.75	Capital Bonds, 3 yrs., £500 min. wdl. with 90 days' loss or notice. Bonus account 8.25, £500 minimum withdwl. with 28 days' loss or notice
Newcastle	7.25	8.50	8.75	4 years, 8.25 28 days' notice, or on demand with penalty, 8.50 90 days' notice, or on demand with penalty
New Cross	8.25	—	8.25-8.75	on share accounts, depending on minimum balance over 6 months
Northern Rock	7.25	8.50	8.25	7-Day Moneyspinner, 7 days' not. wdl. no pen.
			8.75	Premium Moneyspinner on demand, 28 days' loss of interest on amount wdn.
Norwich	7.25	8.50	8.50	City Account, immed. withdls. with no penalty
Paddington	7.75	9.25	8.75	1 mth.'s not., or 1 mth.'s int. loss on sums wdn.
Peckham	8.00	—	8.25	1 month, 9.00 3 months' notice (no penalty)
Portman	7.25	8.75	8.75	Two months' notice. 8.25 no notice
Portsmouth	7.55	8.05	9.40	5 years, 9.00 8 months, 8.50 1 month
Property-Owners	7.75	9.00	8.75	28 days, 8.75 3 months, 8.50 monthly income
Scarborough	7.25	8.50	8.25	Money Care and Free Life Insurance
Skipton	7.25	8.50	8.25	£1,000-£4,999 Sovereign, no penalties, no notice
			8.50	£5,000+, no penalties, no notice
Stroud	7.25	8.50	8.85	3 months, 8.25 1 month no penalty with notice
Sussex County	7.25	8.00	8.25	7 days' notice, 8.50 Sx. Sh., 7.50 Sh. a/c 2,500+
Sussex Mutual	7.50	9.00	8.75	1 month's notice/immed. with 28 days' penalty
Thrift	8.15	—	10.15	5 years' term. Other accounts available
Town and Country	7.25	8.25	9.00	2 yrs. ½-yrly. int. Monthly income wdl. facility
			8.50	28 days' notice or imm. withdrwl. with penalty
Wessex	8.30	—	—	
Woolwich	7.25	8.25	8.25	7 days' notice
			8.50	90 days' notice or on demand (interest pen.)
			8.00	2-year term, or 90 days' penalty (interest pen.)
Yorkshire	7.25	8.25	8.50	*Diamond Key, 60 days' penalty or 2 months' notice without penalty*

All these rates are after basic rate tax liability has been settled on behalf of the investor.

Sellafield's nuclear chief bares his breast

"Don't take too long before you come up to see us," Conningsby Allday joked wryly a few days ago. "They want to put me down the pipe."

He meant the effluent pipe over a mile long that discharges weekly radio-active effluent from the reprocessing of spent nuclear fuel at his Sellafield (Windscale) factory in Cumbria.

Con Allday, 62, chairman of British Nuclear Fuels, is the man in the spotlight because the factory flushed radio-active solvent into the North Sea last month. As a result his own employees and their families have been warned off a 25-mile stretch of Cumbrian coast.

His opponents, who would like to close the factory down, can scarcely believe their luck. The accident has certainly dampened the festive spirit in a sincere and caring high-technologist.

But characteristically Allday has made no attempt to duck the issue, or to underplay its seriousness for the nuclear industry's public relations. On Thursday he bared his breast at Sellafield, confessed freely that the company had erred, but did not so much as hint that anyone he employed should be made a scapegoat.

The mistake was made fairly far down in the management chain. Allday admitted that there had been "genuine misunderstandings between managers." But those managers had acted conscientiously and in good faith and he had seen fit neither to fire nor suspend anyone.

No-one, inside or outside the company, had been hurt by the accident. Routine medical investigations nowadays exposed people to much more radiation.

Sellafield is one of the oldest parts of Britain's nuclear industry, rebuilt as a chemical plant from a wartime shell-filling factory. The pipeline itself is over 30 years old, designed to dispose conveniently of the very lowest levels of radio-actively tainted effluent.

Normally, once this is churned up in the sea it is almost undetectable against the background of naturally radio-active salts such as uranium and radium.

Allday, a chemical engineer, joined the nuclear industry in 1961 from ICI, as part of a drive to recruit more outsiders. He became chief executive in 1975, and chairman as well in March this year. "I could not be taking over a company in healthier condition," he said at the time.

Since the mid-1970s when it was recognised that reprocessing is a more difficult and unpredictable operation than we previously believed, the company has been engaged in a massive reconstruction of what had become a run-down and ugly factory. This will cost more than £2bn.

About £150m has already been committed to new effluent treatment processes. If Allday has any complaint it is that the company gets no public credit for the fact that his factory is discharging far less radio-activity in total than during the 1970s. Discharges this year — the accident notwithstanding — will be the lowest for over 10 years.

In the wake of Jason and his Argonauts

ON THE island of Spetsis a master shipwright turned to see explorer Tim Severin clutching a model of a late Bronze Age Greek ship. "Oh, you want me to build the Argo," said Vasilis Delimotros and another Severin adventure sprang into life.

Severin a slim, wiry, 43-year-old, has already had two outstanding successes in reconstructing ancient voyages. In his book *The Brendan Voyage* he proved that Irish monks could have reached America in a leather currach well before Columbus. The Sinbad Voyage recorded his creation of the Seven Voyages of Sinbad as told in *Tales of the Arabian Nights*.

Severin's appetite for enduring the tribulations of early mariners is unabated, and next May he sets out to follow the route of Jason and the Argonauts in their search for the Golden Fleece.

Hutchinson, publishers of the last two best sellers, are sponsoring the project, which aims to visit the sites of the Argonauts' adventures as described by Apollonius in his *Argonautica*, written in the third century BC.

It is, says Severin, the first voyage story in Western literature. And Argo was the first ship to have a name. He believes that the legend is based on the first explorations of the Black Sea, two generations before the fall of Troy.

The keel of the modern Argo has been laid. She will be an open boat 52 feet long and rowed by 20 oarsmen on a 3,000-mile round voyage from Greece across the northern Aegean, the Sea of Marmora, through the Bosphorus and along the southern coast of the Black Sea to the ancient kingdom of Colchis, now Soviet Georgia.

There the inhabitants used to lay sheep skins on the beds of the streams to collect gold dust — a method which led to the legend of the Golden Fleece.

Severin, who was allowed to sail his Sinbad dhow into Communist China, is hoping to get permission to land. The Russians seem to approve of his exploits so far — his books have been translated into Russian and his film the Brendan Voyage may be shown on Soviet TV.

It will not be comfortable. It could also be dangerous, as the boat will mainly be following the coastline in the manner of Jason. As any sailor knows, in stormy weather a boat is far better off well away from the land.

Particularly to be feared, says Severin, is the Bosphoros, especially if a northerly wind is hacking the surge of water from the Black Sea.

Favourable winds, however, will ease the lot of the oarsmen, as a small sail is being carried. Jason himself was so keen to use his sail that on one occasion, says Apollonius, he abandoned two crewmen ashore just to catch a good breeze.

Contributors:
Philip Bassett
David Fishlock
David Blackwell

Wheway £568,000 in loss at 18 months

IN THE 18 months to October 1 1983, chainmaker, engineer and drop forger Wheway Watson Holdings incurred taxable losses of £568,000 after making losses of £170,000 in the last six months. This compares with losses of £700,000 for the previous accounting period: the year to April 2 1982.

With losses per 10p share given as 2p (2.79p—all comparatives for 12 months to April 1982) a 0.05p net interim dividend in lieu of final (0.05p interim) is being paid to retain the company's trustee status.

Mr E. B. Jeynes, chairman, says the group has continued to make good progress towards the elimination of losses during the last 18 months. This, he reports, has occurred despite lack of growth in the demand level for the group's products.

The essential action taken by the group over the last three years in bring manufacturing facilities into line with the requirements of the reduced size of the market for products and for changes in technology has created a much-needed improvement in operating efficiency, Mr Jeynes says.

In the last six months of the accounting period, the group made profits before exceptional items of £8,000. This compares with losses of £183,000 in the second six months and £106,000 in the first. In the previous year first-half losses before exceptional items were £488,000 and £194,000 losses were incurred in the second six months.

Mr Jeynes says the return to profits in the last six months, albeit very small and coming six months later than expected, is very welcome. He anticipates that a loss will be incurred in the first half of the current financial year but that the group should be back in profit for the second half.

Taxable profits for the 18 months were struck after interest payable of £801,000 (£690,000) and exceptional debits of £332,000 (£111,000) consisting of rationalisation costs of £310,000 (£111,000) and exchange differences of £22,000 (nil). There was no tax charge.

A loss of £98,000 (nil) on the sale of premises vacated as a result of closure of an activity was charged as an extraordinary item, leaving attributable losses of £666,000 (£793,000).

Chemring expands

Without the exceptional charge this time, profits of Chemring for the year ended September 30, 1983 have risen by £271,700 to £1.3m. The final dividend is 4.6p for a net total of 7.6p per against 6.2p.

Sales of the group, which makes electronic countermeasure products, came out at £6.13m (£5.14m). The directors are confident that sales and profits will continue to grow.

After tax £646,000 (£492,500) the net profit is £656,500 (£538,000) for earnings of 31.1p (25.5p) per share. Net asset value per ordinary stood at 137.4p (113.8p).

Graig Shipping

In a further interim report, the board of Graig Shipping says that as far as the company's other interests in Edward J. Weston and Girovend Cashless Systems are concerned, it reports these companies are making satisfactory progress since its initial investments in them earlier in the year.

On the oil side, the company does not intend to drill any more wells until the New Year.

In the half-year to September 30, 1983, the group had pre-tax profits of £110,000 compared with £692,000.

Wedgwood midway profit 150% jump—sales increase continues

DESPITE HIGHER losses from the factories in America and Australia, profits of Wedgwood have risen substantially from £1.15m to £2.86m in the half year ended October 1 1983, equal to nearly 150 per cent.

The directors report that in the current quarter sales continue to exceed those of last year, and to stay ahead of the budget for this year. The U.S. and home markets are particularly buoyant, Europe (apart from Holland and Italy) and Canada remain flat while there appears to be a modest recovery in Australia.

The interim dividend is being raised from 1.75p to 2.25p net. Results for the year are expected to justify an increase in the final over last year's 2.675p, but it should not be assumed that it will be tilted in the same proportion as the interim. Earnings for the half year came in 4p (1.7p) per share.

Had it not been for heavier losses at the factories in Glendale, California, and Croydon, Australia, the increase in profit would have been some £700,000 greater, the directors claim. Steps are being taken to dispose of the Glendale real estate.

The tile manufacturing operation has been discontinued there, but the tableware side will be carried on until alternative production arrangements have been made, which are expected within six to nine months. The tableware operation should come close to break-even in the second half, and the eventual sale of the real estate should result in a surplus over original cost and the closing down and transfer costs of the continuing Franciscan tableware.

In Australia the factory is still operating at a loss but changes in its product range are having some beneficial effect on sales and margins. There is no immediate prospect of a return to profitability and the directors will take a decision on the future of this division early in the New Year when they learn the result of discussions with the authorities in Australia.

Group turnover in the half year went up from £53.78m to £63.04m. The profit was struck after funding costs £1.31m (£1.12m) and included related companies £241,000 (£172,000). The tax charge is £1.36m (£524,000).

● **comment**

With sterling plumbing uncharted depths against the dollar, it is not surprising that Wedgwood is showing signs of revival. Almost 30 per cent of sales consist of exports to the U.S., and even in the UK sales are heavily dependent on foreign tourists shopping on the cheap. The worry is the £0.7m rise in losses in Australia and California. Problems in Australia are attributed to dumping from the third world, but it all seems rather sudden—the operation only slipped into loss for the first time last year. Wedgwood is now negotiating with the Australian government to secure protective tariffs, and it seems clearly implied that failure on that front might lead to closure. The closure option has been taken with the tile factory in California (outside the reported period), but that only accounts for 20 per cent of the San Francisco subsidiary's turnover. The second half will see loss elimination on tiles, but might also have to carry closure costs. Overall, though, volume has risen by a heartening 14 per cent, and provided the dollar continues its high-wire act further recovery is clearly on the cards. But at 122p (up 4p) the shares are at their year high, and on a yield of 3.9 per cent seem well up with events.

Utd. Spring's better second half

DESPITE showing a modest profit of £6,000 in the second half, pre-tax losses at United Spring & Steel Group increased from £118,000 to £280,000 in the full year to September 30 1983.

Again no dividends are being paid for the year.

Mr David Westwood, the chairman, commenting on the results, says: "Although it is disappointing that the group did not return to full profitability within the year, I am encouraged by the fact that we turned a first-half trading loss of £286,000 into a break-even situation in the second half, and I hope that the progressive improvement which is coming from our UK subsidiaries will continue."

External sales of this spring manufacturer, steel stockholder and processor, were little changed at £25.21m compared with £25.05m. The spring division's operating profits were £166,000 against losses of £53,000, the steel division's profits fell from £462,000 to £90,000, and the engineering losses were higher at £185,000 (£181,000). Operating profits overall were £71,000 against £228,000.

The year-end loss was after interest charges up from £346,000 to £351,000. There was a tax charge of £10,000 (£237,000 credit), and extraordinary debits of £1.07m (£1.02m). A total of £1.36m (£876,000) was transferred from reserves. The loss per 10p share was 2.14p against earnings of 1.05p.

Mr Westwood says the situation in the steel industry continues to be chaotic, and although the profits from the steel division were modest, it did particularly well in reverse a first-half loss.

He says the performance of the spring division has fully supported the actions taken by the board over the past two years. He is confident that the group now has a firm base from which it can increase both market share and profits.

While there are signs of an improvement in the American economy, the directors are of the opinion that it will not benefit Earle Gear for some considerable time and, as the group is not prepared to continue to carry this burden, it has decided to dispose of the business which is provided for as an extraordinary item in the accounts.

Mr Westwood says the group is currently trading at a modest profit, and he sees no reason why this should not continue.

Remedial action lifts Illingworth

BETTER TRADING conditions and a substantial reduction in borrowings resulted in a half-time £1.11m taxable profit, against a £73,000 loss, at Illingworth Morris, a manufacturer of wool textiles.

After stripping out £6.73m relating to operations sold and closed from last year's accounts, turnover for the six months to September 30, 1983 rose from £35.44m to £41.1m.

Operating profits advanced by 33 per cent to £1.74m against £1.31m, the effects of rationalisation was not material, and interest charges were reduced at £773,000 compared with £1.39m. Investment income added £11,000 (£22,000) and the share of profit of associated companies was £127,000 (loss £14,000).

A breakdown of turnover reveals that sales at home improved by nearly 16 per cent to £19.08m. Elsewhere, direct exports rose from £13.36m to £14.44m and indirect exports were higher at £7.42m compared with £5.32m. Sales by overseas subsidiaries fell to £153,000 against £302,000.

Control of the company recently changed hands with Abele declaring its offer unconditional in late November.

In assessing future financing requirements, the directors remain committed to reducing borrowings still further and to building up reserves, and are therefore omitting dividend payments.

In the last annual report, as at March 31, overdrafts were shown as £12.85m against £22.09m and reserves stood at £11.83m compared with £12.86m of which £8.52m (£8.14m) were non-distributable.

After all charges, there was a £2.28m transfer to reserves in the opening half which compares with a £946,000 transfer from reserves. Tax was £46,000 (£65,000), minorities took £28,000 (£31,000) and there was an extraordinary credit of £1.27m (debit £731,000) reflecting a profit on the sale of land at Aberdeen less costs and estimated costs of rationalisation and legal fees.

Earnings per share are given as 2.46p compared with losses of 0.54p.

Investment losses hit Cluff

LOSSES on the sale of investments and provisions against investments which resulted in a debit of £95,000 compared with a credit of £2.8m, have contributed to Cluff Oil tumbling to the red in the six months to June 30 1983. Pre-tax losses were £691,000 against profits of £2.28m. No ordinary dividend is again being paid.

Tax was substantially lower at £15,000 compared with £223,000, leaving a net loss of £706,000 (£2.05m profit). Minorities accounted for £35,000 (£43,000 credit), and there was an extraordinary credit of £512,000 (£648,000), being mainly exchange gains.

Although the ordinary and 'B' ordinary shares which were offered by way of rights in December 1982 carry the same entitlements as to dividends, capital and voting, the divergence in market prices does not reflect this.

The board will consider at an appropriate time whether the ordinary share capital can be re-organised so that it comprises shares all of the same nominal amount.

Such a re-organisation would be on a one-for-one basis, and would also involve any outstanding convertible 'A' shares, the last date for conversion of which is December 31 1983.

Results due next week

Followers of Grand Metropolitan seem to have been revising their expectations lately. Previous forecasts for the full year results to end September (due on Thursday) lay in the range £250-£290m. But with more encouraging figures from competitors—Bass, for instance—expectations are creeping up, to perhaps as much as £295-£305m at the top end. Granted, the UK foods business—which includes Express Dairies—will probably have been unexciting, and the Intercontinental acquisition of two years ago should still be contributing less than finance costs. But the UK leisure business—casinos and betting in particular—will have done well, and Liggett in the U.S. has produced an unexpectedly good performance throughout the year. Interest charges should be down by around £10m on the basis of lower rates alone, and there are besides some 3-4 months benefit from the £60m realised this year on sales of UK hotels.

Next Thursday sees the third quarter results (to end November) of glamour stock Superdrug. Back in February, this chemist's chain made headlines with its introduction to the market, attracting an oversubscription of 95 times and hitting 300p on first day of dealings, against a 175p offer price. Considering the initial frenzy, the price has since held up fairly well, standing presently at 260p. The figures are hard to predict, since Superdrug has not previously disclosed its third quarter profits. But for the full year, analysts are going for pre-tax of £6.6m to £6.7m, around 25 per cent up on last year (at the interim, profits were ahead 28 per cent). Growth is based primarily on new store openings—14 in the first half, and almost as many projected in the second. Third quarter profits might be of the order of £1.6m, against perhaps £1.3m last year.

Norcros, the construction products, ceramics and packaging group has been devoting a lot of energies in recent months to its so far abortive bid to take-over UBM Group. And so long as a lot of its capital is tied up in UBM—if cannot make another bid for a year—another major acquisition seems unlikely. Meanwhile the different divisions appear to be making sound progress with the exception of some overseas businesses including South Africa, which is not as buoyant as in the past, and Nigeria.

Ceramics in the UK is expected to be the strongest performer, benefiting from the home improvement market. Construction has had a reasonable level of orders and it may have something to say about Dow Mac's contract for a railway sleeper factory in Iraq. Sterling dollar rates should be generally beneficial especially for the print and packaging division. The average forecast for interim figures due on Monday is £14.5m for the six months to September, £32.5m for the year with a 10 per cent increase in the net dividend.

Property profits are never easy to forecast precisely at the interim stage, but British Land whose interim figures to September are due on Tuesday, appears to have defeated most analysts. The consensus for the year rests around £8.5m pre-tax, up from £7.71m, but how the figures will fall between the two halves depends so much on the planning of John Ritblat and his team—when and how much profit will be taken from trading and investment portfolios: and what level of security dealings have been undertaken. British Land has stepped up activity in the U.S. which will help towards a useful rise of the year, but interims will probably be little different from last year's £3.4m pre-tax.

With Christmas just a week away, company results start tailing off until the New Year. Whessoe and Johnson Firth Brown report preliminary results on Monday. Interim figures will be published by FMC and Capper Neill on Tuesday, while Minet Holdings announces its third quarter figures on the same day. On Thursday Equity Law and Harrisons Malaysian Plantations come in with their interims.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Anchor International	Friday	—	—	—
Bankers Investment Trust	Thursday	—	—	—
Carlton Communications	Tuesday	—	—	—
Carroll Industries	Monday	2.7	4.7	2.7
Cifer	Tuesday	—	—	—
Electric and General Investment Co.	Thursday	1.1	1.75	—
Grand Metropolitan	Thursday	3.5	4.875	3.875
Jackson, J. and H. B.	Monday	0.75	0.9	0.75
Johnson and Firth Brown	Monday	—	—	—
Kelsey Industries	Tuesday	2.5	5.5	2.5
Kitchen, Robert Taylor	Wednesday	3.0	8.0	3.0
Lloyds and Scottish	Tuesday	1.67	2.0	1.0
Nash Industries	Monday	1.5	2.5	1.5
North British Steel Group	Wednesday	0.71	1.49	0.35
Pict Petroleum	Thursday	—	—	—
Whessoe	Monday	2.0	5.0	2.5
Williams, John of Cardiff	Wednesday	—	—	—
Windsor Securities (Holdings)	Tuesday	—	—	—
INTERIM DIVIDENDS				
Alliance Investment	Tuesday	0.5	1.05	
Austin James Steel Holdings	Tuesday	1.67	1.2	
Baillie of Yorkshire	Wednesday	0.5	1.3	
Belgrave (Blackheath)	Tuesday	—	—	
British Land	Tuesday	—	1.25	
Bromsgrove Castings and Machining	Thursday	0.75	1.5	
Capper-Neill	Tuesday	—	—	
Energy Finance and General Tst Hldgs.	Wednesday	0.5	0.71	
Equity and Law Life Assurance Society	Wednesday	5.0	13.5	
BRF (Holdings)	Wednesday	—	—	
F M C	Tuesday	—	—	—
Ferminster	Wednesday	2.05	2.94	
Halma	Monday	0.50433	0.69452	
Hampton Gold Mining Areas	Monday	1.0	2.75	
Harris, Philip (Holdings)	Wednesday	2.0	3.75	
Harrisons Malaysian Plants. Berhad	Wednesday†	8.0	8.0	
Highgate and Job Group	Thursday	—	—	—
Highgate Optical and Industrial	Wednesday	—	—	
Joseph, Leopold Holdings	Thursday	1.575	8.577	
Marston Thompson and Evershed	Monday	0.51333	1.039333	
May and Hassell	Monday	1.3	2.5	
Memory Computer	Monday	—	2.0	
Milbury	Monday	—	2.45	
Minet Holdings	Tuesday†	—	—	—
Mont, A.	Monday	1.5	4.5	
Norcros	Monday	2.08	4.24	
Petbow	Wednesday	—	—	
Reardon Smith Line	Thursday	—	—	
Sheraton Securities International	Wednesday	—	—	
Stoddard Holdings	Tuesday	—	—	
Sterling Industries	Wednesday	0.5	1.45	
Sungei Besi Mines	Monday†	65	120	
Sutcliffe Speakman	Thursday	—	—	
Syltone	Monday	3.6	5.4	
Trust Securities	Tuesday	—	—	

*Dividends are shown net pence per share and are adjusted for any intervening scrip issue. † In Malaysian dollars.

BREWERY RESULTS

Greene King rises £0.3m to £3.44m midway

FOR THE 26 weeks ended October 30 1983 Greene King & Sons has pushed up its profit by £315,000 to £3.44m. Turnover of this brewing group rose from £33.77m to £36.82m.

The company had the benefit of a kind summer, which has given it a good start to the year. There was a small rise in the volume sales of beers, and wines and spirits sales also improved. "Given reasonable trading conditions prospects for the year are not discouraging," the directors state.

The profit included £301,000 (£200,000) from associates. Tax takes £1.23m (same) and, including extraordinary credits £49,000 (£50,000), the available profit is £2.26m (£1.95m).

Earnings are 5.5p (4.6p) per share. The interim dividend is raised to 1.43p net (1.3p)—last year's total was 3.95p paid from pre-tax profits of £5m.

● **comment**

Greene King's turnover is up by 9 per cent, in line with the previous interim's increase, and profits have risen by a similar amount. Along with other regional brewers, the group has seen its shares fall from favour over the year. Last night, they stood at 160p, a decline of 35 per cent on the January level. The hot summer does not seem to have made a great impact on beer volumes, the most marked increase in sales coming from the Harp lager associate, which accounts for just over 20 per cent of turnover. Drinkers' seasonal cheer usually means the bulk of profits come in the second half, so a 15 per cent increase in pre-tax profits to around £8m seems likely for the year. That puts the shares on a multiple of around 11, assuming a 35 per cent tax charge.

Eldridge Pope

Pre-tax profits at Eldridge, Pope & Co. the Dorchester brewer, maltster and spirit merchant, improved from £1.67m to £2.25m in the year to September 30 1983. Second half profits rose from £1.28m to £1.52m.

The directors say the sales trends experienced in the first half generally continued during the second half, but with some change in emphasis. With the hot Summer sales of Faust lager surged ahead, but at the expense of traditional beers where first half gains were largely eroded.

Gains made in wine sales during the first half were maintained and slightly improved upon, despite a very poor pattern of sales in April and May, but cumulative spirit sales remained the same as last year.

The final dividend is raised from 6p to 7.25p net for an increased total of 12.75p (11p). A two for one scrip issue is also proposed.

Group turnover for the first half was up from £15.61m to £29.19m. The pre-tax figure included profit on sale of properties, £256,000 (£61,000) and employee share scheme, £105,000 (£84,000). Tax was up from £633,000 to £715,000, leaving attributable profits higher at £1.33m (£1.05m). Earnings per £1 share rose from 38.3p to 56.6p.

Mansfield dips

Profits in all main business sectors at Mansfield Brewery performed in line with budgeted expectations, say the directors in their interim report. Sales volume growth, both of beer and soft drinks has been maintained but, as anticipated, profit margins in soft drinks declined, despite improvements to plant efficiency.

Pre-tax profits were slightly lower at £4.24m (£4.31m) in the 26 weeks to September 30, 1983. The interim dividend is raised, however, from 2.1p to 2.25p net—last year a final of 4.65p was paid from pre-tax profits of £7.96m.

Turnover improved from £32.32m to £36.38m. The pre-tax figure was after financial charges of £231,000 (£159,000). Tax was higher at £1.2m compared with £614,000. Earnings per £1 share fell from 22.5p to 19.6p.

The directors say the higher tax charge was due to a greater proportion of investment being made in licensed property as distinct from plant.

Second half trading profits are forecast to show an improvement on the corresponding period last year.

Hardys & Hansons

Brewer and off-licence, hotel and public house manager Hardys and Hansons slipped from taxable profits of £2.68m to £2.66m in the year to September 30 1983, after earning £1.49m, compared with £1.48m, in the second half.

Earnings per 25p share of this close company are given as 25.4p (25.94p) before extraordinary items and the year's dividend is being raised from 13p to 13.5p net with a final of 9.3p (9p).

Turnover excluding value added tax for the 12 months advanced from £15.91m to £16.47m. Tax took £1.38m (£1.37m) and there were extraordinary credits of £125,000 (£76,000).

Gibbs Mew for USM

The Gibbs Mew group, Salisbury-based brewer, is performing more satisfactorily in each of its operational companies and activities, the directors report. In the half-year ended September 30 1983 sales totalled £8.67m, against £7.86m, and profit was ahead from £271,200 to £434,500.

The group has applied for a quote on the Unlisted Securities Market. Should this be approved, it is anticipated that dealings will start on or about January 3. The interim dividend is raised to 1.1p (1p).

BIDS AND DEALS

Tootal sells 19.9% of Australian arm

BY DAVID DODWELL

TOOTAL, ONE of the UK's leading textile groups, yesterday revealed that it has sold a 19.9 per cent stake in its troubled Australian associate, Bradmill, to a Melbourne-based industrial group Entrad.

The sale is the first step by Entrad towards a full offer for Bradmill worth A$64.4m (£41m). Tootal holds a 49.9 per cent stake in the company, and plans to accept the general offer for the 30 per cent not disposed of yesterday. The cash-starved textile group is expected to raise £20.1m from the sale of its stake.

Tootal tried to sell Bradmill to Bruck (Australia) for £24m in July last year, but this deal was blocked by Australia's National Companies and Securities Commission. Tootal has been advised that the NCSC has no objections to the deal revealed yesterday.

Entrad has paid Tootal A$1.22 for every share owned in Bradmill, and the general offer will be pitched at the same level. Just a month ago, talks fell through between Entrad and Courtauld over the purchase of Courtauld's Australian subsidiary, Courtauld Hilton.

Tootal has been keen to sell Bradmill as part of overall plans to reorganise the group. In the recent past, recession in Australia has led to a depressed performance by Bradmill. Pre-tax profits for the associate for the first half of this year amounted to just A$800,000, compared with A$4.6m in the first half of 1982.

In the recent past, Bradmill has disposed of three yarn and fabric businesses, which means that Entrad will be buying two textile mills, and a clothing business.

One of Tootal's main aims in trying to sell Bradmill has been to reduce borrowings—which before the deal stood at around £60m—and to reduce interest costs amounting in 1982 to about £9.4m a year.

In the wake of the deal, Tootal's borrowings will not only fall to around £40m, but annual interest payments will be trimmed by £1.8m on an annual basis.

Rationalisation over the past three years have been costly to Tootal. Write-offs to the middle of this year amount to almost £35m.

The company nevertheless pointed out yesterday that if the disposal is completed smoothly, then it will have made a net profit on its involvement with Bradmill of about £7.2m. It acquired its stake in the company in 1978 for £12.9m.

Tootal's shares improved by 2p to 39½p in the wake of announcement of the deal.

English Assoc. bid for Rosedimond worth £9m

English Association Group, a merchant banking and financial services concern, yesterday revealed an agreed bid for Rosedimond Investment Trust worth about £9.22m.

Mr Richard Cox-Johnson, English Association's managing director, said yesterday that the deal was intended to broaden the group's asset base. Net assets of Rosedimond, which is controlled by the merchant banking group Hambros, are valued at £8.5m.

English Association is offering 14 shares for every nine capital shares of Rosedimond, and 10 for every 27 income shares of Rosedimond.

The offers value each Rosedimond capital share at 225.5p, and each income share at 53.7p. This is based on a middle market quotation of English Association's shares on Thursday of 145p.

Mr Cox-Johnson said yesterday that shareholders accounting for 28.7 per cent of the capital shares, and 16.7 per cent of the income shares, had given irrevocable undertakings to accept the offer.

A cash alternative for the offer is being made by Rowe and Pitman of 210p for each capital share and 50p for each income share. This cash alternative has been sub-underwritten with a number of institutions.

Full acceptance of the cash alternative would result in E. D. and F. Man and UK Temperance — already substantial shareholders in English Association—holding 35.8 per cent, and 16.1 per cent respectively of English Association's expanded share capital.

Following news of the offer, English Association's shares slipped 3p to end the day at 142p. Rosedimond's capital shares improved by 21p to close at 206p, with its income shares improving 1p to 51p.

BCA expands in Chicago

MR DAVID WICKINS, head of British Car Auctions, revealed at his company's annual meeting yesterday that his wholly-owned U.S. subsidiary Anglo-American Auto Auctions had agreed to buy the Chicago-based Arena Auto Auction Inc for $5m (£3.5m).

The deal comes just two days after news of two other car-auction deals agreed in Florida, and takes BCA's car auction network in the U.S. up to nine. This makes the group the second largest car auctioneer in the U.S. behind Manheim, owned by the Cox Broadcasting Corporation, which controls 14 auctions. The deals—all since May 1982—have cost BCA about £34m.

BCA is already the UK's leading car auctioneer, claiming to account for between 60 and 70 per cent of all second-hand vehicle sales in the country.

Mr Wickins, who only recently returned from a business visit to the U.S., said yesterday that he was "very chirpy" about the deals.

The shares fell 3p to 220p.

Partial bid for Maynards

BY TONY JACKSON

Mr Lew Cartier, the ex-supermarket chief, has launched a £6.3m partial bid for Maynards, the retailer and sweet manufacturer. The bid, for 51.8 per cent of the ordinary, values the whole of Maynards at £12.3m. The terms are 250p cash for each ordinary share, and 100p for the preference.

Mr Cartier is making a partial rather than a full offer for the ordinary shares because he wants Maynards to remain a listed company. Maynards shares rose 72p on the news, to 270p.

Mr Cartier first came to prominence in 1978, when at the age of 33 he brought his own supermarket chain, Cartier's Superfoods, to the stock market. In the following year, he sold out to Tesco, realising a gross profit for himself at £10m. His next major project was Little England, an ambitious Disneyland-type leisure park in Florida, which was abandoned for lack of financial backing early this year.

The Maynards board has rejected the offer, saying "the partial offer is not in the best interests of shareholders or employees."

Maynards operates three divisions—sweet manufacture, retailing of confectionery, tobacco and newspapers (CTN), and the Zodiac chain of toyshops. Mr Cartier makes clear that he is interested only in Zodiac, and would propose to dispose of the two other divisions, either by outright sale or management buy-out. In the year to end-June 1983, Zodiac made a profit before tax of £844,000, sweet manufacture made £558,000, and CTN lost £485,000.

Austin Reed sale

Austin Reed Group has contracted to sell its wholly-owned subsidiary Sir Shops to Allander Holdings on January 30 1984, for cash not expected to exceed £900,000.

Sir Shops, with its 10 menswear branches in Scotland, was acquired by Austin Reed in 1981 and has been developed by the group as a medium-priced menswear business.

Austin Reed will use the cash to develop its Options departments for women and its clothing manufacturing activities.

Kraft Productions shares suspended

Kraft Productions, the loss-making Somerset furniture manufacturer, called for a temporary suspension in trading of its shares yesterday, pending an announcement.

The group underwent a reorganisation this summer following a refinancing by a consortium of new investors. Shortly afterwards, the consortium said that a number of acquisition proposals were under active consideration, and that negotiations were at a "well-advanced stage."

Since then, Mr Julian Thompson has stepped down as chairman of the company.

In the 12 months to December 31 1982 Kraft made a net loss before tax of £170,000 on a turnover of just under £800,000. This compares with a £57,000 loss in 1981, on turnover of £1m.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Charter Trust	1.51	—	1.89*	1.98*	1.85*
Chemring	4.6	—	3.7	7.6	6.2
Eldridge, Pope	7.25	—	6	12.75	11
Greene King ...int	1.43	—	1.3	—	3.95
Hardys & Hansons	9.3	—	9	13.5	13
Mansfield Brewery ...int	2.25	—	2.1	—	6.75
Wedgwood ...int	2.25	Jan 19	1.75	—	4.43
Wheway Watson sec int	0.05§	—	—	0.05	0.05¶

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § For 18 months, to retain trustee status. ¶ For 12 months.

Tarmac bids £16m for Francis Parker

By Ray Maughan

Tarmac, the aggregates, civil engineering and building group, emerged yesterday as the bidder for Francis Parker with a £16m agreed shut-out offer.

In response to a flurry of stock market activity which took its shares up to 51p, Francis Parker announced last month that one of its major shareholders had received an approach which could lead to a full offer for the company. It was understood then that Mr Robert Francis, the chairman of the company, had been approached in respect of his 20 per cent shareholding.

Tarmac acquired from certain Francis Parker directors and other substantial shareholders a total stake of 49.7 per cent of the equity and 46.6 per cent of the 7¼ per cent convertible unsecured loan stock 1985-88.

This holding and irrevocable undertakings from directors in respect of their other holdings amount to 51.6 per cent of the ordinary capital.

The offer is worth 50p in cash per share and 117.6p for each £1 nominal of the loan stock. Assuming full exercise of options, the ordinary and loan capital terms add up to £16m.

If the offer becomes unconditional, Mr Francis will buy Francis Parker's building services, heating and plumbing, electrical contracting interests, plus its joinery, holiday travel and development activities for £2.35m.

Tarmac intends to develop and expand Parker's existing concrete businesses as an integral part of the move into added-value materials. The bidder has recently acquired two building block groups—Hemelite and Alphayule—as part of this strategy, and the group explained Parker's own block interest fit geographically with these plants.

Saxon Oil deal on Moray licences

Saxon Oil intends to acquire all exploration and production licences that have been awarded to Moray Petroleum Holdings and Developments in the UK and France since 1979.

The proposed deal is subject to the consent of both the Secretary of State for Energy and the Stock Exchange.

Saxon, a USM stock, recently made a successful bid for a 0.25 per cent unit of British Petroleum's Forties Field, giving it considerably more scope for using cash flow derived from it on exploration.

Saxon will obtain, as a result, an interest in five onshore production licences, 10 onshore exploration licences and two offshore blocks in the UK and the Continental Shelf. Also included in the package, is an interest in 2,152 sq km of the Paris Basin, for which Moray is currently awaiting approval for its prospective interest.

Under the principal terms of the agreement, Saxon will acquire a Moray subsidiary in exchange for a two-stage issue of Saxon 50p ordinary shares.

The deal, which is expected in February, will be satisfied by an initial 225,000 shares. The price of the shares will be calculated on the middle market price averaged over the first three dealing days following the publication of Saxon's results covering the six months to December 31 1983.

Completion of the deal will be satisfied by an issue of £485,000 worth of shares in late February 1984.

Hambros

Hambros efforts to sell five tankers belonging to the Reksten group have fallen through. The Norwegian investment group negotiating to buy them concluded the tankers should be scrapped rather than preserved in an already glutted market.

Hambros will continue to seek a buyer for them.

The tankers came into Hambros' hands after the collapse of the Reksten shipping empire in the 1970s, which cost the bank some £70m in write-offs.

Tecalemit

The board of Tecalemit has written to shareholders that have not yet accepted Siebe Gorman's offer to give them advice regarding their interests in Tecalemit.

The directors and advisers, Kleinwort Benson, now consider that it is in the best interests of the remaining shareholders, who own 31.54 per cent, to accept the Siebe offer rather than to remain as minority shareholders.

The Tecalemit board intends to accept in respect of its own holding of 0.22 per cent.

Western Motor

Estates and Agency has increased its stake in Western Motor Holdings to 18.9 per cent of the ordinary and to 7.8 per cent of the "A" ordinary capital.

On December 15 Estates and Agency bought 84,784 ordinary from members of the Mumford family at 65p each, and acquired 98,850 A non-voting ordinary at 37½p per share.

Rubery Owen

P. J. Zweegers en Zonen, a Dutch based agricultural machinery company, is to acquire from Rubery Owen Holdings Salopian Kenneth Hudson, the UK distributor for the Dutch company.

حملة امنة للأصل

Take-over bids and deals

London Brick, Britain's largest brick manufacturer and a constituent of the Financial Times Industrial Ordinary index since its inception in 1935, received an offer worth £170m from **Hanson Trust**. The bid, of 120p per share cash, was announced well after the close of the market on Thursday when London Brick shares stood at 104p; first price for London Brick yesterday was 135p as dealers anticipated another heavyweight bid battle.

The contest between West German insurance group Allianz and **BAT Industries** for control of UK composite insurance company Eagle Star entered a new phase on Wednesday when both bidders increased their offers. Allianz made the first move, raising its bid by £20m to £920m, or 665p per share, only to have it topped again by BATs which raised its bid by £21m to £934m, the equivalent of 675p per share. The latest developments made hardly any impact on the Eagle Star share price which remained well above the bids at 716p at which the group is valued at £990m. Further developments are expected next week.

The on-off merger discussions between **Allnatt London Properties, Guildhall Property** and **Slough Estates** were successfully concluded on Tuesday and involve Slough offering nearly £100m in cash, loan stock or shares for Allnatt and the 40 per cent in Guildhall not already owned by Allnatt. The cash alternative offers are equal to 245p per Allnatt share and 162p for each Guildhall share and the merger will create an industrial property group with a market capitalisation of nearly £330m.

Nottingham Manufacturing made an agreed bid worth £11.3m for fellow Marks and Spencer supplier **F. Miller (Textiles)**, but the terms of the offer—one Nottingham share for every six Miller shares—value the latter at only 35½p per share compared with last week's suspension price of 42p and reflect Miller's warning that profits for the year to February 1984 will be substantially lower.

Dealings in **Transcontinental Services**, a 30 per cent-owned associate of **RIT and Northern**, were suspended on Thursday at 190p following a Stock Exchange ruling to the effect that the company now constituted a cash shell after its agreement earlier in the week to sell its trading services division to Inchcape for £36.3m. Trading will not resume until Transcontinental reduces its cash mountain—which stands at over £56m—by making acquisitions to replace the operations sold to Inchcape.

Booker McConnell emerged as the bidder for **Bishop's Group**, the loss-making food retailer and wholesaler, with an agreed offer worth just under £13m. Booker is offering 291p per share cash for each Bishop's Ordinary share and 221p for each A non-voting share. The market reflected disappointment with the terms of the offer and the A shares, in which dealings were briefly suspended on Tuesday at 245p, resumed at 210p.

RMC Group is acquiring a 64.6 per cent stake in aggregates concern **RWK France**, a 75 per cent stake in **Metromont Materials Corporation** of the U.S. and a further 30.9 per cent of **C. Rowbotham (Insurance)**, a Lloyd's broker, increasing its holding in the last named to 96.5 per cent. The three deals involve a total outlay of around £22m for RMC.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Allnatt Ldn Prps	245†	237	220	98.60	Slough Estates
Bishops Grp Ord	291*	280	275	5.09	Booker McConnll
Bishops Grp A nv	221*	210	245	7.74	Booker McConnll
Brkly & Hay Hill	10	9½	10½	2.90	Promotion House
Danish Bacon 'A'	115*	105	110	1.98	Ess-Food
Eagle Star	675*	720	528	933.69	BAT Inds
Eagle Star	665*§	720	500	919.86	Alllanz Verschrng
FMC¶	49*	46	48	4.90	Hillsdown Hldgs
Francis Parker	50*	49	52	12.88	Tarmac Roadstne
Guildhall Propty	162†	160	132	0.99	Slough Estates
Helical Bar	65*§	60	75	1.89	Exenl
Hoover (UK) Ord	240*§	237	215	18.34	Hoover (U.S.)
Hoover (UK) "A"	235*§	232	205	28.69	Hoover (U.S.)
Ingram (H.)	65*§	200	50	1.02	Wasskon
London Brick	120*	135	104	154.03	Hanson Trust
Maynards	250*§	310	198	6.34	Lewis E. Cartier
Miller (F.)	36	36	42	5.18	Nottingham Mnfg
Rightwise	238½*§	190	200	2.57	Crosby House
Rosedimond Inc.	52½	51	50	3.14	English Assoc.
Rosedimond Cap.	221	206	185	5.88	English Assoc.
Royal Worcester¶	335§§	384	275	22.67	Crystalate
Russel Bros¶	100*	160	115	0.72	Mr N. Phoenix
Stenhouse	144§§	127	106	54.66	Reed Stenhse 'A'
Streeters	20*§	20	38½	1.15	Costain
Sunlight Serv	285†	215	192	34.53	Brengreen Hldgs
Tecalemit	43§§	51	29	14.70	Siebe Gorman
Telfos	40*§	50	39	2.08	Plantations and Gen Ivs
Trust Securities	15*	56	46	4.69	Stockley Dev.
Twinlock	71*§	70	60††	15.17	Acco World Cpn
UBM Group	139½§§	125	99	81.79	Norcros

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ‖ Loan stock alternative. ** Based on 16/12/1983. †† At suspension. ‡‡ Estimated. §§ Shares and cash.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Amal. Foods	Nov	255	(365)L	—	(—)
Arlington Motor	Sept	1,030	(524)	2.5	(2.5)
AR Television	Sept	1,070	(1,000)	—	(—)
Baker Perkins	Sept	1,560	(783)L	2.4	(2.1)
Beechwood Group	Sept	682L	(102)	—	(0.45)
BET	Sept	31,770	(27,070)	2.25	(1.86)
Boardman, K. O.	Sept	58	(193)L	—	(—)
Booth, John	Sept	110	(115)L	—	(—)
Braham Miller	Sept	207	(159)	0.4	(0.4)
Bristol Eve Post	Sept	774	(865)	4.0	(4.0)
British Steam	Sept	970	(756)	1.0	(0.7)
Bulmer H. P.	Sept	9,170	(7,230)	2.24	(1.95)
Caffyns	Sept	474	(61)	2.2	(2.2)
Centreway Ind.	June†	133	(—)	0.6	(1.0)
Centreway Trust	June	97	(20)L	—	(—)
Chapman Ind.	Oct	311	(44)	2.2	(2.0)
CH Industrials	Oct	317	(83)	0.4	(0.25)
Cont. Stationery	Sept	160	(227)	0.45	(0.45)
Cooper Inds.	Oct	207	(196)L	—	(—)
Crown House	Sept	1,090	(580)	2.5	(2.25)
Distillers Co.	Sept	64,900	(80,200)	4.5	(4.5)
Downs Surgical	Sept	198L	(354)L	—	(—)
Firth, G. M.	Sept	279	(144)	0.15	(0.14)
Fuller, Smith	Sept	1,520	(1,300)	2.0	(1.78)
GEC	Sept	285,000	(291,000)	1.15	(1.0)
Grant, James	Oct‡	408	(298)	1.25	(1.25)
Haslemere Ests.	Sept	2,710	(3,530)	2.09	(1.9)
Hazlewood Foods	Sept	1,060	(735)	4.75	(4.0)
Hill Thomson	July	473	(784)	—	(—)
IC Gas	Sept	1,070L	(1,770)L	4.0	(3.0)
Ingram, Harold	Oct	33L	(58)L	—	(—)
Intasun	Sept	20,020	(16,010)	1.8	(1.4)
Jack Bourne End	Oct	168	(14)L	2.0	(2.0)
Lees, John	Sept	64	(40)	0.9	(0.8)
Leigh Interests	Sept	304	(127)L	0.75	(0.5)
LMS	Sept	3,550	(3,830)	0.6	(0.5)
Longton Ind Hlds	Sept	161	(163)	—	(—)
Marling Ind.	Sept	789	(398)	0.52	(0.47)
Meyer Intnl.	Sept	30,080	(23,400)	1.65	(1.5)
Mod. Eng. Bristol	Sept	3	(222)L	—	(—)
Paterson Jenks	Sept	1,070	(651)	1.0	(0.7)
Phoenix Timber	Sept	527	(596)L	1.5	(—)
Plysu	Oct	1,630	(1,326)	0.8	(0.68)
Polymark	Sept	36L	(304)	—	(—)
Prem. Con. Oil	Sept	696	(1,390)	—	(—)
Redfearn Nat.	Oct	3,730L	(580)	0.1	(5.28)
RFD	Sept	568	(776)	0.92	(0.84)
Rout & Kegan Pl.	Sept	49L	(20)L	—	(—)
Sangers	Aug	157L	(416)L	—	(—)
S&N Breweries	Oct	31,600	(22,500)	1.73	(1.5)
Servis	June†	342	(—)	—	(—)
Shaw Carpets	Oct	722	(142)	1.0	(—)
Sheffield Brick	June	299L	(133)L	—	(—)
Smith & Nephew	Oct††	30,080	(23,400)	—	(—)
Smith Whitworth	Sept	27L	(106)L	—	(—)
Stewart & Wight	Sept	19	(15)	—	(—)
Sturla	Oct	31	(—)	—	(—)
Tex Abrasives	Sept	163	(49)	0.75	(0.75)
Thermal Scientfc.	Sept	204	(157)	—	(—)
Thorpae Group	Sept	33	(58)	1.0	(1.0)
TOPS Estates	Sept	15	(1)	—	(—)
Triefus	June	1,190L	(108)L	—	(—)
Triptex	Sept	334	(781)L	—	(—)
Unigate	Sept	23,600	(15,300)	2.75	(2.5)
Unilock	Oct	178	(262)	0.43	(0.35)
Western Motor	June	440L	(401)L	—	(—)
West's Grp. Intl.	Oct	858	(126)	2.5	(—)
Whitecroft	Sept	2,740	(2,425)	2.0	(1.65)
Wight Collins	Oct	204	(121)L	1.25	(—)
Woodhead, Jonas	Sept	645	(1,040)L	—	(—)

(Figures in parentheses are for the corresponding period.)
* Dividends are shown net pence per share except where otherwise stated. † Figures for three months. ‡ Figures for nine months. †† 40 weeks. L Loss

Offers for sale, placings and introductions

Gaelic Oil—Placing 4,618,740 ordinary 120p shares at par.
Synterials—Coming to USM by offering for subscription 20m £1 shares.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
AE	Sept	400	(200)L	—	(—)	1.4	(1.4)
Albion	Sept	481	(748)L	13.0	(—)	—	(—)
Associated Paper	Oct	2,520	(2,270)	13.3	(13.2)	4.2	(3.8)
Burco Dean	Sept	697L	(771)L	—	(—)	0.1	(—)
Burns Anderson	Sept	561	(338)	3.6	(2.4)	2.2	(2.0)
Carr's Milling	Sept	950	(890)	17.6	(13.7)	3.75	(3.5)
Cowie, T.	Sept	1,130	(1,012)	7.9	(5.3)	2.0	(2.0)
Dobson Park Ind.	Oct	8,090	(9,078)	6.2	(6.2)	5.21	(5.21)
Elson & Robbins	Sept	1,210	(1,060)L	10.0	(—)	2.5	(0.1)
Eng. China Clays	Sept	46,470	(43,470)	17.2	(20.0)	8.75	(8.2)
Fairline Boats	Sept	246	(49)L	4.4	(—)	1.75	(1.0)
Flexello	Sept	33L	(4)	—	(1.9)	0.7	(0.7)
Irish Distillers	Sept	9,710	(7,640)	17.6	(15.7)	5.0	(3.9)
Lake & Elliot	Sept	1,280L	(360)L	—	(—)	—	(—)
Lee, Arthur	Sept	571L	(759)L	—	(—)	0.6	(0.6)
Leech, William	Aug	1,130	(406)	8.8	(1.8)	1.5	(1.0)
Martin the News.	Oct	3,660	(3,440)	22.4	(22.6)	3.72	(3.6)
M&G Group	Sept	6,100	(3,640)	40.1	(26.2)	20.0	(15.0)
McCorquodale	Sept	7,310	(6,200)	28.3	(28.4)	10.0	(9.0)
Northern Foods	Sept	50,100	(41,200)	18.2	(16.2)	14.0	(7.3)
Nth Midland Con.	Sept	13	(285)	—	(9.5)	0.65	(2.4)
Nott. Brick	Sept	1,050	(298)	31.8	(10.2)	10.0	(5.3)
NSS Newsagents	Oct	5,570	(5,250)	11.3	(10.9)	3.0	(2.75)
Plaxtons (GB)	Oct	2,920	(1,100)	27.4	(13.2)	9.0	(5.5)
Redman Heenan	Sept	2,360L	(2,170)L	—	(—)	—	(1.4)
Reliable Prop.	June	374	(421)	—	(—)	3.0	(2.5)
Reliant Motor	Sept	176	(207)	3.9	(3.9)	—	(—)
RHP Group	Sept	660	(3,930)	1.8	(5.7)	1.25	(4.0)
Spencer Clark	Sept	161L	(575)L	—	(—)	—	(—)
Stainless Mtlcrft.	Aug	901	(695)	10.4	(7.0)	2.2	(—)
Stakis	Oct	6,460	(4,460)	8.6	(7.3)	2.0	(1.75)
United Sci.	Sept	8,510	(7,860)	17.0	(15.6)	5.0	(4.0)
Westland	Sept	26,090	(23,910)	32.4	(26.5)	8.25	(7.5)

Rights Issues

Arlen Electrical—To raise £715,000 by way of a rights issue of £744,702 11½ per cent conv. unsec. loan 1990. On basis of £1 nominal of stock for every eight ordinary shares.

Herman Smith—To raise £1m by way of a five-for-one rights issue at 32p per share.

McCarthy & Stone—Raising £12.1m through a rights issue. Basis—4,166,650 ordinary shares of 20p each at 300p per share. One new share for every four held.

Scrip Issues

H.P. Bulmer—Scrip issue of two new preference shares for every existing five ordinary shares.

Plaxtons—One-for-one scrip issue.

LONDON TRADED OPTIONS

Option		Calls Jan.	Calls Apr.	Calls July	Puts Jan.	Puts Apr.	Puts July
S.P. (*524)	360	40	—	—	3	—	—
	390	14	28	38	8	22	26
	420	5	16	24	30	42	48
	460	1	9	12	68	80	80
Cons. Gold (*487)	460	40	54	72	10	25	32
	500	14	37	52	37	50	62
	550	6	22	27	77	84	90
	600	1½	2	—	125	127	—
	650	1	3½	—	175	177	—
Courtaulds (*125)	75	50	—	—	1	—	—
	85	40	—	—	1	—	—
	90	—	38	42	—	1	2
	95	30	—	—	1	—	—
	100	—	60	34	—	3	3½
	110	17	21	25	2	4	5
	120	8	13	17	4	6	2
	130	4	8	13	8	10	12
Com. Union (*186)	140	46	51	54	1	1½	3
	160	26	35	36	2	5	5
	180	12	16	20	5	10	13
	200	3	7	9	12	25	26
G.E.C. (*172)	160	29	32	42	3	6	8
	180	11	18	26	10	13	14
	200	5	11	16	25	27	28
	220	1	4	8	44	44	44
	240	1	2	—	—	—	—
	260	1	—	—	—	—	—
Grand Met. (*341)	300	45	50	52	1½	5	11
	330	20	30	38	6	15	20
	360	6	14	23	25	33	38
	390	2	4	—	53	57	—
I.C.I. (*646)	420	232	—	—	1½	—	—
	460	192	—	—	2	—	—
	500	152	156	—	2	2	—
	550	102	106	116	2	5	4
	600	54	64	74	4	14	18
	650	16	32	44	20	32	42
Land Secur. (*258)	214	53	60	68	1	2	6
	236	23	31	39	3	7	8
	240	20	28	55	6	8	11
	257	12	10	27	11	15	18
	260	10	17	25	13	12	22
	280	3	8	13	25	29	32
Marks & Sp. (*218)	180	38	44	—	1	2	—
	200	20	25	28	1½	5	7
	220	3½	11	14	6	11	14
Shell Trans. (*568)	460	108	—	—	1	—	—
	500	68	78	88	2	11	14
	550	30	42	60	14	22	30
	600	4	15	26	50	56	60
	650	1½	4	—	94	92	—

Option		Calls Feb.	Calls May	Calls Aug.	Puts Feb.	Puts May	Puts Aug.
Barclays (*484)	420	70	77	—	3	8	—
	460	40	50	60	11	18	25
	500	18	30	37	50	42	47
	550	3	12	—	—	80	—
Imperial Gp. (*154)	110	25	27	—	0¾	1½	—
	120	17	19	—	1½	2½	—
	130	9	11	15	4	7	9
	140	5½	6	8½	9	11	13
LASMO (*260)	240	22	58	45	10	12	25
	260	13	27	33	22	30	35
	280	10	12	25	42	47	50
	300	3	10	—	57	62	—
	330	2	4	—	85	87	—
	360	1	5	—	—	—	—
	390	0½	2	—	—	—	—
Lonrho (*105)	90	17	18	21	1	2½	5
	100	7½	11	15	5½	6½	6½
	110	3	5	7½	10	11	15
P. & O. (*241)	180	64	—	—	2	—	—
	200	46	54	—	3	4	—
	220	22	38	—	5	2	—
	240	14	25	37	14	12	21
	260	5	16	26	27	30	32
Racal (*208)	180	34	42	50	2	4	7
	200	12	28	34	6	12	16
	220	10	15	24	20	24	28
	230	4	11	—	—	—	—
	250	1	5	—	—	—	—
	275	1	—	—	—	—	—
R.T.Z. (*522)	483	107	—	—	—	—	—
	500	92	—	—	2	—	—
	533	67	—	—	7	—	—
	550	57	70	80	17	30	38
	583	35	—	—	27	—	—
	600	26	40	50	40	55	62
	650	10	20	—	80	84	—
	700	3	9	—	—	—	—
Vaal Reefs (*$106)	90	17	20	23	4½	5½	8½
	100	11	14	16	8½	11	14
	110	6½	9½	11½	14½	16½	12½
	120	3	6½	—	21½	23½	—
	130	1¼	3	—	28½	31½	—
	140	1	1¼	—	—	—	—

Option		Calls Dec.	Calls Mar.	Calls June	Puts Dec.	Puts Mar.	Puts June
Beecham (*320)	300	20	37	43	1	7	17
	330	3	15	20	15	23	30
	355	1½	4	—	40	45	—
	385	1	2	—	—	72	—
	415	1	—	—	—	—	—
Bass (*303)	300	2	15	27	5	12	16
	350	1	4	10	50	38	45
De Beers ($*720)	700	30	50	70	4	30	40
	750	5	25	45	37	60	70
	800	2	16	30	85	95	105
	850	2	5	—	135	152	145
	900	1	3	—	185	—	—
Guest Keen (*172)	135	62	—	—	—	—	—
	155	18	—	—	1½	—	—
	160	—	23	27	—	5	10
	175	2	—	—	6	—	—
	180	—	12	15	—	16	20
	200	1	4	—	30	30	—
Hanson (*258)	200	59	66	71	1	2	3
	220	39	46	53	1	6	6
	240	10	28	37	2	6	15
	260	4	18	35	5	16	22
Tesco (*156)	160	8	15	22	1½	8	7
	180	1	7	10	15	18	21

Dec. 12. Total Contracts 1,079. Calls 700. Puts 379.
* Underlying security price

EUROPEAN OPTIONS EXCHANGE

Series		Feb. Vol.	Feb. Last	May Vol.	May Last	Aug. Vol.	Aug. Last	Stock
GOLD C	$375	—	—	2	51 A	—	—	$377.10
GOLD C	$400	46	7.50	18	18.50	5	27	"
GOLD C	$425	5	2.50 A	7	9	7	18.50	"
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOTAL VOLUME IN CONTRACTS: 12,888
A=Ask B=Bid C=Call P=Put

APPOINTMENTS

Finance director for Britoil

Mr Robert Speirs, an executive director of BRITOIL with responsibility for corporate planning, is to become director of finance and planning on May 1, suceeding Mr Roy Dantzic. Mr Speirs joined BNOC in 1977 as taxation manager, after eight years as UK tax administrator of Texaco. He subsequently became treasurer of BNOC and, on its foundation, of Britoil before taking up his current position. Mr Dantzic will be leaving the company at the end of April following the next annual meeting to take up an executive position with his family textile business. He was seconded to The British National Oil Corp from Samuel Montagu and Co in 1980.

★

Sir Peter Parker has become part-time non-executive chairman of MITSUBISHI ELECTRIC (UK).

★

AI INDUSTRIAL PRODUCTS has made the following appointments: Mr Brian S. Phillips, as managing director of Blakeys malleable castings division; Mr Peter R. Griffin, as managing director of Unilator technical ceramics division; Mr Brian Jones, as deputy managing director of Allied Insulators high tension products division.

★

Mr John Barnes has been appointed general manager, UK and Ireland, for AIR CANADA from January 1 based in London. He succeeds Mr James Tennant, who is returning to Air Canada's head office in Montreal as senior director, human resource planning and development.

★

FURNESS WITHY is to establish a new subsidiary, Furness Withy (Terminals), which will commence operations on January 1 as the holding company for all container terminal and freight forwarding interests of the Tung Group in the UK. Mr Derek J. Harrington has joined the main board of Furness Withy and Co and will be appointed chairman and managing director of Furness Withy (Terminals) from January 1. He is chairman or managing director of several other companies in the group.

★

Mr Hugh Thomas has been appointed group managing director of GALLEON WORLD TRAVEL. He was director of sales and marketing for Venice Simplon-Orient-Express.

★

Mr Ronald H. Peet is joining the board of AMEC as a non-executive director from January 1. He is group chief executive of the Legal and General Group.

★

Gates Energy Products Inc, Denver, Colorado, has appointed Mr Michael J. Sharman as chief executive officer and a director of European battery subsidiary GATES ENERGY PRODUCTS LTD, Acton, from January 1. He was with the Chloride Group as chairman of Industrial operations Europe, and then finance director. Also on January 1 Mr A. T. Hiscock will become vice-chairman of Gates Energy Products Ltd. He was managing director.

★

Mr Michael Dowdeswell has been appointed a director of GOOD RELATIONS CITY. He was formerly a senior investment analyst with Wedd Durlacher Mordaunt and Co. Miss Susan Hurley has also been appointed a director of Good Relations City.

★

YXHULT has appointed Mr Tony Stockford as managing director of its recently-formed subsidiary Yxhult Building Products. He joins from Varnamo Rubber Company, where he was sales director. Yxhult has appointed Mr Peter Storrie as group finance and administration manager. He was previously managing director of SS Spars.

★

Mr Robert Topple, chairman and managing director of Leslie and Godwin (Holdings) and Mr Peter Pruitt, a director, have been appointed to the board of FRANK B. HALL & CO INC, New Jersey—the ultimate holding company of the Leslie and Godwin Group.

★

Mr A. V. Driver has been appointed vice-chairman of BAXTER, FELL & CO.

★

The Employment Secretary has appointed Mr Mark Daymond as personnel director of REMPLOY, initially for a four year period from February 1. He was personnel and administration director at Arthur Guinness and Son.

★

MANRO PRODUCTS has appointed Mr David Walsh as chairman. He is managing director of Ellis & Everard, and has been a non-excutive director of Manro Products for several years.

BASE LENDING RATES

A.B.N. Bank	9 %	■ Hambros Bank	9 %
Allied Irish Bank	9 %	Heritable & Gen. Trust	9 %
Amro Bank	9 %	■ Hill Samuel §	9 %
Henry Ansbacher	9 %	C. Hoare & Co. †	9 %
Arbuthnot Latham	9 %	Hongkong & Shanghai	9 %
Armco Trust Ltd.	9 %	Kingsnorth Trust Ltd.	10 %
Associates Cap. Corp.	9½%	Knowsley & Co. Ltd.	9½%
Banco de Bilbao	9 %	Lloyds Bank	9 %
Bank Hapoalim BM	9 %	Mallinhall Limited	9 %
BCCI	9 %	Edward Manson & Co.	10 %
Bank of Ireland	9 %	Meghraj and Sons Ltd.	9 %
Bank Leumi (UK) plc	9 %	Midland Bank	9 %
Bank of Cyprus	9 %	■ Morgan Grenfell	9 %
Bank of Scotland	9 %	National Bk. of Kuwait	9 %
Banque Belge Ltd.	9 %	National Girobank	9 %
Banque du Rhone	10 %	National Westminster	9 %
Barclays Bank	9 %	Norwich Gen. Tst.	9 %
Beneficial Trust Ltd.	10 %	R. Raphael & Sons	9 %
Bremar Holdings Ltd.	9 %	P. S. Refson & Co.	9 %
Brit. Bank of Mid. East	9 %	Roxburghe Guarantee	9½%
■ Brown Shipley	9 %	Royal Trust Co. Canada	9 %
CL Bank Nederland	9 %	Standard Chartered ‖	9 %
Canada Perm't Trust	10 %	Trade Dev. Bank	9 %
Castle Court Trust Ltd.	9½%	TCB	9 %
Cayzer Ltd.	9 %	Trustee Savings Bank	9 %
Cedar Holdings	9 %	United Bank of Kuwait	9 %
■ Charterhouse Japhet	9 %	United Mizrahi Bank	9 %
Choulartons	10½%	Volkskas Intnl. Ltd.	9 %
Citibank Savings ¶	10½%	Westpac Banking Corp.	9 %
Clydesdale Bank	9 %	Whiteaway Laidlaw	9½%
C. E. Coates	9½%	Williams & Glyn's	9 %
Comm. Bk. of N. East	9 %	Wintrust Secs. Ltd.	9 %
Consolidated Credits	9 %	Yorkshire Bank	9 %
Co-operative Bank *	9 %		
The Cyprus Popular Bk.	9 %		
Dunbar & Co. Ltd.	9 %		
Duncan Lawrie	9 %		
E. T. Trust	9½%		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	10½%		
Robert Fraser	10 %		
Grindlays Bank ‡	9 %		
■ Guinness Mahon	9 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.5%, 1-month 5.75%. Short-term £8,000/12 months 8.1%.
† 7-day deposits on sums of: under £10,000 5¾%, £10,000 up to £50,000 6¼%, £50,000 and over 7¼%.
‡ Call deposits £1,000 and over 5½%.
‖ 21-day deposits over £1,000 6¼%.
§ Demand deposits 5½%.
¶ Mortgage base rate.

Economic Diary

TODAY: French seamen due to begin series of one-day strikes.
TOMORROW: Department for National Savings' monthly progress report (November). Japanese general election.

MONDAY: CBI monthly trends (December). EEC Foreign Ministers meet and EEC Energy Ministers meet, Brussels. Cable and Broadcasting Bill second reading.

TUESDAY: Bank of England bulletin. NUM national executive meets, Sheffield. EEC Transport Ministers meet on maximum lorry loads, Brussels. Six threatened metropolitan counties publish independent report of their work, London.

WEDNESDAY: October construction orders. OECD semi-annual outlook published. TUC general council meets, London.
THURSDAY: November trade figures. New vehicle registrations (November). CBI/FT survey of distributive trades (end-November). EEC Steel Ministers emergency talks, Brussels.
FRIDAY: Finished steel consumption and stock changes (3rd quarter final).

Over-the-Counter Market

1982-83 High	Low	Company	Price	Change	Gross div. (p)	Yield %	P/E Actual	Fully taxed
142	120	Ass. Brit. Ind. Ord.	122	+1	6.4	5.2	7.1	9.3
158	117	Ass. Brit. Ind. CULS	134	+1	10.0	7.5	—	—
78	57	Airsprung Group	76	—	6.1	8.0	21.7	21.7
46	21	Armitage & Rhodes	26	—	—	—	—	—
265	98½	Bardon Hill	265	+5	7.2	2.7	10.8	22.0
54	53	Bray Technologies	54	—	2.7	5.0	9.7	10.6
151	100	CCL 11pc Conv. Pref.	148	—	15.7	10.6	—	—
270	100	Cindico Group	100	—	17.6	17.6	—	—
86	45	Deborah Services	51	—	6.0	11.8	27.3	44.3
180	77	Frank Horsell	180	—	—	—	7.6	12.4
169	75½	Frank Horsell Pr Ord 87	169	—	8.7	5.1	7.1	11.7
83	39	Frederick Parker	39	—	7.1	18.2	2.4	3.9
55	32	George Blair	33	—	—	—	—	—
100	50	Ind. Precision Castings	50	—	7.3	14.6	13.9	17.2
220	100	Isis Conv. Pref.	220	—	17.1	7.7	—	—
115	47	Jackson Group	115	—	4.5	3.9	6.0	11.3
237	111	James Burrough	226	+2	11.4	5.0	12.5	13.2
297	275	Minihouse Holding NV	297	—	4.0	1.3	22.3	22.3
280	121	Robert Jenkins	121	—	20.0	16.5	14.1	9.4
83	54	Scruttons "A"	60xd	—	5.7	9.5	10.0	7.2
167	76	Torday & Carlisle	76	—	2.9	3.8	—	—
434	395	Trevian Holdings	434	—	—	—	8.8	8.1
29	17	Unilock Holdings	17	—	1.0	5.8	11.1	16.2
90	64	Walter Alexander	88	—	6.8	7.7	7.7	10.2
276	214	W. S. Yeates	245	+1	17.1	7.0	3.8	7.6

Wall St awaits money figures

A MIXED TREND prevailed on Wall Street yesterday, when investor enthusiasm ebbed in advance of the announcement of an expected large rise in the U.S. Money Supply.

By 1 pm the Dow Jones Industrial Average was up 1.22 at 1238.01, reducing its loss on the week to 21.99, while the NYSE All Common Index, at $93.50, shed 3 cents on the day and $1.90 on the week. In the broader market losing issues held a slight advantage over gains. Volume was about 58m shares, with Institutional trading remaining light.

One analyst said the Stock Market seems to be ignoring good economic news and concentrating on Money Supply and other monetary indicators.

"Nothing seems to turn the market on," he said, and there continues to be a good deal of portfolio shifting by Money Managers.

Other analysts said the market failed to respond to the announcement of a 0.2 per cent decline in U.S. Wholesale Prices in November, the first drop since March.

Certain Technology issues improved, with Western Union up $2 to $37¼, Computervision $1½ to $39½ and Digital Equipment $1¼ to $70½.

General Electric rose $¾ to $55¼ in active trading—it will sell its housewares operation of Black and Decker for $300m in cash and notes. Black and Decker held unchanged at $24½ when it was halted before the announcement.

Southland fell $1¾ to $38 after its Citgo Unit reduced its buying price for Domestic Crude Oil by $1.50 a barrel.

Getty Oil, which rose sharply on Thursday, retreated $1¾ to $78¾.

Brown Group moved up $1¾ to $29¾ and TRE Corporation $1½ to $32¾.

Republic Bank dipped $1¾ to $30¼—it said Thursday it expects profits to decline up to 54 per cent in the fourth quarter.

Closing prices for North America were not available for this edition.

THE AMERICAN SE Market Value Index shed 0.61 to 218.98, making a loss of 3.16 on the week. Volume 4.494m shares.

Canada

Slightly lower at mid-session, with Gold and Oil stocks continuing to lose ground.

The Toronto Composite Index was off 7.1 at 2,508.1, Golds 48.7 at 4,003.4, Oil and Gas 11.3 at 3,370.3 and Metals and Minerals 6.3 at 2,430.3.

Tokyo

Sharply higher on active buying prompted by growing expectations of an election victory on Sunday for the ruling Liberal Democratic Party, plus a rapid Corporate business recovery.

Nomura Research forecast the current profit of major Japanese firms will rise 7.5 per cent in 1983-84 and 26.5 per cent in 1984-1985.

The Market Average rose a further 68.18 to 9,530.81. Volume 430m (314m) shares.

Both Domestic and Overseas investors bought Blue Chips, "Populars" and shares with good earnings prospects, despite the overnight fall on Wall Street.

International "Populars" rose in the afternoon on foreign buying. Foreigners had noted the yen's strength against the dollar at a time when the U.S. unit is rising sharply against most European currencies.

Toyota Motor put on 120 to 1,480 on a "large" vehicle order from Iran.

Shipyards, Machine Tools, Communications and many others gained ground, but some "high-priced" issues closed lower.

Non Ferrous Metals were also lower on technical selling and a sharp fall in bullion prices abroad. Sumitomo Metal Mining shed Y21 to 970 and Mitsui Mining and Smelting Y15 to 426.

Hong Kong

Mostly lower in quiet trading, reflecting a general lack of investment interest ahead of the Christmas holidays. The high U.S. interest rates was also cited as a depressant.

The Hang Seng Index fell 9.11 to 860.77.

Australia

Takeovers and rumours of takeovers kept markets busy through Friday.

Trading started off on the downbeat reflecting some profit-taking by London dealers, coupled with another dull overnight performance by Wall Street. Gold and Silver fell sharply on the New York market, a fall copied by Hong Kong when it started to trade.

Local dealers cancelled out the early fall as takeover fever gripped.

Speculators and "Big Money" men seemed unable to leave the Elders Carlton United situation alone. CUB shares were pushed up 5 cents to A$3.90, while Elders itself moved up 20 cents to A$4.50 on heavy volume which included a block trade of 2.8m shares crossed at A$4.35, thought to have come from Adelaide Advertiser.

J. Blackwood and Sons, under offer from Howard Smith at A$5.50 a share, gained 40 cents to A$6.40.

Bradmill, a highly respected Textile Group, came under offer from a private company, Benington P. L., at A$1.22.

The Oil and Gas sector was rife with takeover speculation, brokers said. Ampol Exploration jumped 25 cents to A$4.15, Weeks Petroleum 60 cents to A$5.90, Claremont 17 cents to A$1.95 and Bridge 14 cents to A$3.94.

Germany

After a weaker opening, prices rallied and closed mostly firmer. Foreign investors, encouraged by the stronger dollar, placed buy orders in the hope of currency gains.

Banks were particularly sought. Commerzbank rose DM 2 to DM 161.50, Dresdner DM 3.30 to DM 163.80 and Deutsche DM 3.60 to 315.50. Bayernverein added DM 3.50 at DM 309.

But the Commerzbank Index, calculated at midsession, reflected the earlier trend and fell 2.0 to 1,007.9.

In Engineerings, Linde put on DM 4 to DM 356.

Thyssen eased to DM 75.5 following news of "large" half-year losses at its Thyssen Stahl AG Unit.

Paris

Share prices edged lower in slow trading.

The Market Indicator was off 0.49 per cent, with declines leading advances by 114 to 47 in the French section.

Dealers blamed the weak trend on a spate of bad news, including Wall Street's losses Thursday. End-of-year profit taking and the continuing industrial conflict at Talbot's Poissy plant.

Also depressing sentiment was the Bank of France's decision to raise the Call Money rate by ¼ percentage point to 12¼ per cent.

However, Peugeot SA shares, Talbot's parent company, rose Fr 5 to 203.

Constructions and Engineerings recorded the largest falls, with Dumez down Fr 10 at 842.

In Foreigns, Americans and Oils were mixed, while Dutch, Golds and Metal Mines fell.

Amsterdam

Share prices surprisingly recovered from their mixed to lower opening as sudden buying interest emerged.

Dealers were unable to clarify the buying as the dollar remained higher and worries about interest rates continue.

Chemical group Gist-Brocades advanced Fl 6.50 to Fl 162.50. Dealers linked the advance to the fact that subscriptions to the group's rights issue closed yesterday. Van Ommeren fell Fl 3 to Fl 29.50 after lowering its profit forecast.

Switzerland

Domestic shares steady in moderate trading, with the further rise of the dollar and the lower overnight trend in New York having little impact.

NEW YORK

Stock	Dec. 15	Dec. 14
Chesebr. Pond	38	38
Chicago Pneum.	16½	18⅝
Chrysler	26⅛	27⅝
Chubb	62⅝	62⅝
Cigna	44½	44⅞
Cincinnati Mil.	33⅞	34
Citicorp	34¾	36⅛
City Invest	37½	37½
Clark Equipment	36⅝	38
Cleve Cliffs Iron	24½	24⅝
Genuine Parts	44⅝	44⅛
Georgia Pac	24⅞	24⅞
Gerber Prod	43⅝	42⅞
Getty Oil	80¼	76¾
Gillette	47⅛	47⅜
Global Marine	7⅞	7⅞
Goodrich (B.F.)	28¾	30¼
Goodyear Tire	30⅝	28⅞
Gould	30⅝	30⅝
Grace	45⅝	45⅞
Grainger (WW)	63	62⅜
Merck	90½	
Meredith	42⅜	
Merrill Lynch	30¼	32⅛
Mesa Pet	14⅜	14¾
Metromedia	34⅝	35
Midcon	32	31⅜
Mid Sth Util	13⅝	14
Milton Bradley	22⅝	20¼
Minnesota Mine.	85	85
Mitchell Energy	21¼	21⅛
Mobil	28	28⅜
SPS Tech	24⅛	24⅜
Sabine Corp	12¼	18⅜
Safeco	65¾	65⅞
Safeway Stores	26½	27
St. Paul Cos	58	58⅜
St. Regis Paper	34⅛	34⅝
Santa Fe Inds	30¼	30⅛
Saul Investment	18¾	10⅞
Schering Plough	38⅛	38⅜
Woolworth	35⅝	36
Wrigley	63	53⅛
Wyly	10⅝	11
Xerox	50⅞	50
Yellow Frt Sys.	44¾	46
Zapata	16⅜	16⅝
Zayre	42⅛	43
Zenith	32¼	05
Zero	24½	24⅛

Indices

NEW YORK

DOW JONES

	Dec. 15	Dec. 14	Dec. 13	Dec. 12	Dec. 9	Dec. 8	1983 High	1983 Low	Since Cmpil't High	Since Cmpil't Low
● Industr'ls	1236.79	1246.65	1256.89	1261.59	1260.0	1261.89	1287.20 (29/11)	1027.04 (3/1)	1287.20 (29/11/83)	41.22 (2/7/32)
H'me Bnds	68.41	60.50	69.72	70.55	69.08	70.26	77.84 (9/5)	60.85 (3/8)	—	—
Transport.	586.76	594.26	604.45	604.45	604.91	608.28	612.57 (22/11)	434.24 (3/1)	612.57 (22/11/83)	12.32 (8/7/32)
Utilities	131.56	132.42	134.15	134.44	135.91	136.02	140.70 (31/10)	119.51 (3/1)	165.32 (20/4/69)	10.5 (28/4/42)
Trading Vol 000's	88,300	85,430	86,800	77,320	93,280	88,530	—	—	—	—

● Day's high 1250.20 (1251.38) low 1001.20 (1241.77)

Indust'l div. yield %	Dec. 9	Dec. 2	Nov. 25	Year ago (Approx)
	4.47	4.46	4.40	6.31

STANDARD AND POORS

	Dec. 15	Dec. 14	Dec. 13	Dec. 12	Dec. 9	Dec. 8	1983 High	1983 Low	Since Cmpil'n High	Since Cmpil'n Low
Indust'ls	181.84	185.68	185.87	186.68	185.50	185.85	194.84 (10/10)	154.95 (3/1)	194.84 (10/10/83)	3.62 (30/6/32)
Comp'site	161.61	165.85	164.88	166.62	165.08	165.25	172.65 (10/10)	138.34 (3/1)	172.65 (10/10/83)	4.40 (1/6/32)

	Dec. 14	Dec. 7	Nov. 30	Year ago (Approx)
Indust'l div. yield %	3.78	3.72	0.72	4.73
Indust'l P/E ratio	13.33	13.55	14.43	10.42
Long Gov. Bond yield	11.90	11.68	11.49	10.53

N.Y.S.E. ALL COMMON

Dec. 16	Dec. 14	Dec. 13	Dec. 12	1983 High	1983 Low
95.53	94.41	95.28	95.64	99.65 (19/10)	80.06 (24/1)

Rises and Falls

	Dec. 15	Dec. 14	Dec. 13
Issues Traded	2,002	2,008	2,025
Rises	473	456	651
Falls	1,115	1,142	928
Unchanged	414	410	444
New Highs	19	26	40
New Lows	52	30	41

MONTREAL	Dec. 15	Dec. 14	Dec. 13	Dec. 12	1983 High	1983 Low
Industrial	445.86	442.99	445.45	444.28	460.90 (25/8)	331.18 (4/1)
Combined	424.19	426.49	425.70	427.61	441.28 (25/8)	325.10 (4/1)
TORONTO Composite	2515.2	2536.5	2538.6	2536.3	2599.2 (25/8)	1949.8 (4/1)

	Dec. 16	Dec. 15	Dec. 14	Dec. 13	1983 High	1983 Low
AUSTRALIA						
All Ord. (1/1/80)	756.6	755.4	754.5	751.2	756.4 (15/12)	487.6 (4/1)
Metals & Minls. (1/1/80)	549.2	551.8	550.3	547.6	614.2 (5/9)	411.3 (4/1)
AUSTRIA						
Credit Aktien (2/1/62)	54.82	54.69	54.57	54.23	58.8 (5/5)	45.48 (18/2)
BELGIUM						
Belgian SE (31/12/63)	135.87	133.62	133.56	132.81	154.43 (1/8)	100.50 (4/1)
DENMARK						
Copenhagen SE (3/1/83)	199.29	199.82	200.10	198.46	204.22 (15/8)	100.00 (3/1)
FRANCE						
CAC General (31/12/82)	148.9	149.5	151.2	151.9	151.9 (15/12)	96.1 (5/1)
Ind Tendance (31/12/82)	158.1	159.5	161.1	165.1	165.1 (15/12)	98.9 (3/1)
GERMANY						
FAZ-Aktien (31/12/58)	350.91	342.11	344.05	345.24	348.3 (2/12)	241.89 (25/1)
Commerzbank (Dec 1953)	1007.9	1009.9	1015.6	1014.6	1051.6 (2/12)	727.9 (25/1)
HONG KONG						
Hang Seng Bank (31/7/64)	860.77	869.88	858.74	855.39	1102.64 (21/7)	690.05 (4/10)
ITALY						
Banca Comm Ital. (1972)	187.86	185.78	185.82	182.78	214.95 (21/5)	160.45 (10/1)
JAPAN[**]						
Nikkei-Dow (16/5/49)	9535.61	9482.43	9461.17	9385.56	9553.25 (11/10)	7803.18 (25/1)
Tokyo SE New (4/1/68)	705.32	701.70	696.19	695.80	705.32 (15/12)	574.51 (25/1)
NETHERLANDS						
ANP-CBS General (1970)	141.1	148.8	147.2	143.6	143.8 (15/12)	106.1 (4/1)
ANP-CBS Indust (1970)	121.5	120.7	120.3	122.0	122.8 (15/12)	85.5 (4/1)
NORWAY						
Oslo SE (4/1/83)	212.19	214.29	213.21	213.94	217.80 (10/10)	98.67 (4/1)
SINGAPORE						
Straits Times (1966)	963.49	955.04	981.91	955.44	992.92 (25/8)	712.23 (5/1)
SOUTH AFRICA						
Gold (1958)	(c)	849.0	841.1	842.3	1095.5 (1/2)	651.4 (1/11)
Industrial (1958)	(c)	927.0	935.6	935.1	938.7 (28/6)	704.0 (5/1)
SPAIN						
Madrid SE (31/12/82)	110.48	115.31	120.44	101.10	123.14 (10/11)	98.52 (11/1)
SWEDEN						
Jacobson & P. (1/1/58)	1476.44	1475.51	1480.01	1489.09	1525.65 (2/12)	998.18 (3/1)
SWITZERLAND						
Swiss Bank Cpn. (31/12/58)	371.6	372.0	372.5	371.6	372.8 (5/12)	294.4 (3/1)
WORLD						
Capital Intl. (1/1/70)	—	178.9	178.4	180.2	185.6 (10/10)	154.5 (3/1)

(**) Saturday Dec 10: Japan Nikkei-Dow (c). TSE (c).

Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrial. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
Amer. Express	3,115,900	30⅛	+ ⅛	IBM	1,139,600	119⅛	−1¼
A. T. & T. New	3,098,800	13¾	—	Chrysler	795,100	26⅛	−1
A. T. & T. Old	2,767,700	63⅞	− ⅛	Citicorp	767,500	34¾	−1⅛
Goodyear Tire	1,338,500	29⅝	− ⅞	Gulf Oil	707,000	42⅞	−1¼
Texas Oil/Gas	1,176,800	42½	− ⅛	Pfizer	703,800	34½	− ⅛

CANADA

Stock	Dec. 15	Dec. 14
AMCA Intl	24¼	24¼
Abitibi	25	25½
Agnico Eagle	17⅝	18⅛
Alberta Energy	18	18⅛
Alcan Aluminium	47¼	48
Algoma Steel	28¼	28¼
Asbestos	10½	10½

DENMARK

Dec. 16	Price Knr %	+ or —
Aarhus Olie	430	+5
Andelsbanken	287	+8
Baltica Skand	860	+1
CopHandelsbank	287	+5
D. Sukkerfab	308	+0
Danske Bank	308	+4
East Asiatic	154	+1

NETHERLANDS

Dec. 15	Price Fls.	+ or —
ACF Holding	186	−0.5
Aegon	114	+0
Ahold	183.5	−0.5
AKZO	90.2	+2.2
ABN	371.5	+0.7
AMEV	130	+1.5
AMRO	58.3	

AUSTRALIA

Dec. 15	Price Aust. $	+ or —
ANZ Group	0.88	+0.04
Acrow Aust	1.6	
Alliance Oil D.	0.84	+0.02
Ampol Pet	1.72	
Aust Cons Ind	1.87	−0.01
Aust. Guarant	0.0	−0.05
Aust. Nat. Inds	2.66	
Aust. Paper	2.56	

JAPAN (continued)

Dec. 16	Price Yen	+ or —
Konishiroku	655	+9
Kubota	300	+5
Kumagai	422	−1
Kyoto Ceramic	9,200	−160
Maeda Const	498	−1
Makino Milling	1,400	+30
Makita	1,180	−10
Marubeni	072	

FOREIGN EXCHANGES

Dollar at record high

The dollar continued to improve in currency markets yesterday. Trading was thin ahead of the weekend and despite further central bank intervention, the dollar finished at record levels against several currencies. High U.S. interest rates fuelled by end of year technicalities provided support for the U.S. unit while underlying factors such as tension in the Middle East continued to exert an influence.

The dollar rose to a record high against the French franc and Italian lira at FFr 8.4775 and L1,682½ respectively from FFr 8.4425 and L1,676 on Thursday. It was also at record levels against the Belgian franc and most Scandinavian currencies. Against the D-mark it closed at a new 10-year high of DM 2.7780, up from DM 2.7690, and also finished higher against the Swiss franc at SwFr 2.2150 from SwFr 2.2110. Sunday's General Election in Japan may have prompted some selling with the dollar rising to Y235.7 from Y234.9. On Bank of England figures, the dollar's index rose to its highest recorded level ever at 131.1 compared with 130.7 on Thursday.

Sterling's index fell to 81.9 from 82.0, having stood at 82.0 at noon and in the morning. It finished at a record closing low against the dollar at $1.4135-1.4145, a fall of 85 points. It was also weaker against the D-mark at DM 3.93 from DM 3.94.

£ in New York—Latest

	Dec. 16	Previous
Spot	$1.4160-4170	$1.4180-4190
1 month	0.15-0.19 dis	0.16-0.17 dis
3 months	0.33-0.38 dis	0.34-0.30 dis
12 months	1.15-1.30 dis	1.24-1.29 dis

£ forward rates are quoted in U.S. cents discount.

THE POUND SPOT AND FORWARD

Dec 16	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4130-1.4200	1.4135-1.4145	0.15-0.20c dis	−1.48	0.32-0.37dis	−0.97
Canada	1.7675-1.7750	1.7680-1.7690	0.03-0.13c dis	−0.54	0.15-0.25dis	−0.45
Nethlnd.	4.39½-4.42½	4.40½-4.41½	1¼-1⅛c pm	2.72	3⅞-3⅝ pm	3.06
Belgium	79.80-80.20	79.95-80.05	5-15c dis	−1.50	27-37 dis	−1.60
Denmark	14.19-14.24	14.19¾-14.20¾	1.50-2.60ore dis	−1.73	3.30-4.45dis	−1.09
Ireland	1.2620-1.2700	1.2655-1.2665	0.32-0.40p dis	−3.41	0.85-1.00dis	−2.92
W. Ger.	3.92-3.94	3.92¾-3.93¾	1½-1¼pf pm	2.67	3⅛-2¾ pm	3.05
Portugal	196.50-199.25	197.50-198.00	130-310c dis	−14.06	470-975dis	−15.39
Spain	225.25-226.50	225.40-225.60	215-235c dis	−11.97	600-630dis	−10.91
Italy	2,376-2,384	2,377½-2,378½	14½-16½lire dis	−7.52	44½-47½dis	−7.73
Norway	11.01-11.08	11.02-11.03	3.15-3.90ore dis	−3.84	9.10-9.85dis	−3.44
France	11.37½-12.02½	11.28-11.29	3½-4½c dis	−4.00	12½-14 dis	−4.42
Sweden	11.48-11.53	11.48½-11.49½	2.50-3.10ore dis	−2.92	6.35-7.00dis	−2.32
Japan	332½-335	333-334	0.75-0.65y pm	2.52	2.10-2.05 pm	2.52
Austria	27.60-27.75	27.62-27.67	7⅝-6⅞gro pm	3.01	23⅝-20⅝ pm	3.20
Switz.	3.12½-3.15	3.13-3.14	1⅛-1⅞c pm	4.31	4-3½ pm	4.78

Belgian rate is for convertible francs. Financial franc 81.00-81.10. Six-month forward dollar 0.55-0.60c dis. 12-month 1.18-1.28c dis.

THE DOLLAR SPOT AND FORWARD

Dec 16	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4130-1.4200	1.4135-1.4145	0.15-0.20c dis	−1.48	0.32-0.37dis	−0.97
Ireland†	1.1160-1.1205	1.1160-1.1170	0.18-0.15c pm	1.77	0.56-0.49 pm	1.88
Canada	1.2490-1.2510	1.2500-1.2510	0.12-0.09c pm	1.01	0.18-0.15 pm	0.53
Nethlnd.	3.1075-3.1160	3.1160-3.1180	1.13-1.03c pm	4.10	3.13-3.03 pm	3.96
Belgium	56.43-56.57	56.50-56.57	1½c pm-par	−0.16	7-10 dis	−0.60
Denmark	10.02½-10.05	10.04½-10.05	par-½ore dis	−0.30	par-½ dis	−0.10
W. Ger	2.7675-2.7810	2.7775-2.7785	0.95-0.90pf pm	3.99	2.80-2.75 pm	3.99
Portugal	132.20-133.00	132.65-132.95	80-200c dis	−12.65	300-650dis	−14.31
Spain	159.40-159.60	159.40-159.50	125-145c dis	−10.16	375-425dis	−10.04
Italy	1,678½-1,683	1,682-1,683	9¼-9¾lire dis	−6.43	28-28¾ dis	−6.75
Norway	7.7979-7.8100	7.8000-7.8050	1.40-1.70ore dis	−2.38	4.60-4.90dis	−2.43
France	8.4525-8.4875	8.4750-8.4800	1.55-1.85c dis	−2.48	6.10-7.40dis	−3.25
Sweden	8.1240-8.1300	8.1250-8.1300	0.90-1.10ore dis	−1.48	2.60-2.80dis	−1.33
Japan	234.85-236.00	235.65-235.75	0.73-0.69y pm	3.62	2.20-2.15 pm	3.70
Austria	19.52-19.59	19.57-19.58	7.50-6.90gro pm	4.42	21½-19½ pm	4.19
Switz.	2.2075-2.2185	2.2145-2.2105	1.07-1.02c pm	5.67	3.20-3.15 pm	5.74

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

Belgian rate is for convertible francs. Financial franc 57.30-57.35.

OTHER CURRENCIES

Dec. 16	£	$		£ Note Rates
Argentina Peso	30.16-30.22	21.88-91.31	Austria	27.60-27.90
Australia Dollar	1.5836-1.5875	1.1180-1.1190	Belgium	80.95-81.75
Brazil Cruzeiro	1,324.9-1,332.9	935-940	Denmark	14.15-14.50
Finland Markka	8.5186-8.3416	5.8900-5.8960	France	11.95-18.07
Greek Drachma	140.65-141.15	99.00-99.50	Germany	3.91¼-3.95¼
Hong Kong Dollar	11.05911,069	7.8190-7.8210	Italy	2355-2395
Iran Rial	125.60*	88.70*	Japan	332-337
Kuwait Dinar(KD)	0.41460-0.41525	0.29385-0.29385	Netherlands	4.39½-4.43½
Luxembourg Fr.	79.95-80.05	55.55-56.57	Norway	11.02-11.12
Malaysia Dollar	3.3110-3.3170	2.3410-2.3425	Portugal	185-196
New Zealand Dlr.	9.1510-2.1860	1.5420-1.5445	Spain	221¾-230½
Saudi Arab. Riyal	4.9835-4.9280	3.4810-3.4815	Sweden	11.47-11.57
Singapore Dollar	3.0220-3.0280	2.1365-2.1380	Switzerland	3.19½-3.16½
Sth. African Rand	1.7380-1.7390	1.2270-1.2300	United States	1.41½-1.43
U.A.E. Dirham	5.1940-5.1995	3.6720-3.6750	Yugoslavia	199-210

* Selling rates.

EXCHANGE CROSS RATES

Dec. 16	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.414	3.940	333.5	11.995	5.135	4.410	2379.	1.769	80.00
U.S. Dollar	0.707	1.	2.779	235.7	8.479	2.215	3.118	1683.	1.251	56.56
Deutschemark	0.254	0.360	1.	84.86	3.050	0.798	1.122	605.2	0.450	20.36
Japanese Yen 1,000	2.988	4.240	11.78	1000.	35.94	9.400	13.28	7132.	5.303	239.9
French Franc 10	0.834	1.180	3.278	278.3	10.	2.816	3.680	1985	1.476	66.75
Swiss Franc	0.319	0.451	1.254	106.4	3.883	1.	1.407	759.7	0.564	25.52
Dutch Guilder	0.227	0.321	0.891	75.62	9.718	0.711	1.	539.3	0.401	18.14
Italian Lira 1,000	0.420	0.594	1.659	140.2	5.039	1.319	1.854	1000	0.744	33.63
Canadian Dollar	0.565	0.800	2.228	188.6	6.777	1.773	2.494	1345.	1.	45.24
Belgian Franc 100	1.250	1.768	4.913	416.9	14.98	3.919	5.515	2975.	2.211	100.

MONEY MARKETS

Further shortage

Day to day credit was in short supply in the London money market yesterday. The Bank of England forecast a shortage of around £200m, with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £251m. A rise in the note circulation accounted for a further £330m. These were partly offset by Exchequer transactions of £350m.

The Bank gave assistance in the morning of £209m, buying £2m of eligible bank bills in band 2 (15-33 days) at 9 per cent and £3m in band 3 (34-63 days) at 8⅞ per cent. In band 4 (64-91 days) it bought £204m of eligible bank bills at 8⅞ per cent. Further assistance was given in the afternoon of £19m, making a grand total of £223m. The afternoon help comprised purchases of £12m of eligible bank bills in band 4 at 8⅞ per cent.

UK clearing banks' base lending rate 9 per cent (since October 4 and 5)

UK interest rates were hardly changed in rather quiet trading. Some periods may have edged a sixteenth of a point firmer but the market showed no real concern over the current weakness of sterling or the possibility of higher U.S. interest rates. Three-month interbank money was quoted at 9⅛ per cent unchanged from Thursday while three-month eligible bank bills were again bid at 9 per cent. Weekend interbank money opened at 8¾-8⅞ per cent and eased gradually during the day to touch a low of 7 per cent. Late demand pushed rates back to 9 per cent however.

At the weekly Treasury bill tender, the average rate of discount rose by 0.0154 per cent to 8.8997 per cent with the £100m bills on offer attracting bids of only £232m.

LONDON MONEY RATES — Discount Houses Deposit and Bill Rates

Dec. 16 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	7-9	8½-8¾	8¾-8⅞	8-9⅛	—	—	—	—	—
2 days notice	—	—	9⅛-9	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 day notice	—	8¼-8⅛	8⅞-9	9-9¼	8⅞	—	—	—	—	—
One month	9⅛-9⅛	9-9⅛	9⅛	9⅛	9	9	8⅞	9	9	9⅛
Two months	9⅛-9⅛	9⅛-9⅛	9¼	9¼	9	8⅞	8⅞	8⅞-8	9	9⅛
Three months	9⅛-9⅛	9⅛-8⅞	9⅛	8⅞	9	8⅞	8⅞	9	9	9⅛
Six months	9¼-9⅛	9⅛-10	9⅛	—	—	—	—	9⅛-9⅛	9	9⅛
Nine months	9⅝-9¾	10-10⅛	9¾	—	—	—	—	—	—	—
One year	9⅞-9¾	10⅛-10¼	9¾	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Certs of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	9¼-9½	—	9⅛	10.2-10.3	9⅝-9⅞	9⅛-9½
Two months	9¼-8½	—	9½	10.15-10.25	9⅝-9⅞	9¼-9⅝
Three months	9¼-9½	—	9⅝	10.15-10.25	9⅝-9¾	9⅝-9⅝
Six months	9⅝-9⅜	—	10	10⅛-10.4	9⅛-9⅞	9⅞-10⅛
Nine months	10¼-9⅞	—	10⅛	10.6-10.7	—	—
One year	10⅛-9⅞	—	10¼	10.70-10.80	9¾-10⅛	9⅞-10⅛
Two years	—	10⅛	—	—	—	—
Three years	—	10⅞	—	—	—	—
Four years	—	11	—	—	—	—
Five years	—	11	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period November 2 to December 0 1983 (inclusive) 9.350 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rates (published by the Finance Houses Association) 9½ per cent from December 1 1983. London and Scottish Clearing Bank Rates for lending 9 per cent. London Deposit Rates for sums at seven days' notice 5½ per cent. Treasury Bills: Average tender rate of discount 8.8997 per cent. Certificates of Tax Deposit (Series 6) Deposits of £100,000 and over held under one month 9¾ per cent; one-three months 9½ per cent; three-six months 9¼ per cent; six-12 months 10¼ per cent. Under £100,000 9¼ per cent from December 14. Deposits held under Series 4-5 10 per cent. The rate for all deposits withdrawn for cash 9 per cent.

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 am December 16)

3 months U.S. dollars

bid 10 7/16 offer 10 9/16

6 months U.S. dollars

bid 10 9/16 offer 10 11/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Dec. 16	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term	9⅞-8⅞	9½-9¾	9¾-9⅞	6-6¼	2⅛-2¼	5⅝-5⅞	19¼-19½	15-16	9-9⅞	9-9½	6⅛-6⅜	11⅛-12⅛
7 day's notice	9⅞-9	9⅝-9⅞	8-9½	6-6½	1½-2	5⅞-5⅞	12⅝-19⅝	16-17	9½-10	9½-10	7-7½	11¼-12
Month	9⅝-9⅞	10⅛-10¼	9⅛-9⅜	6⅛-6¼	5¼-5½	6⅛-6½	12½-18¼	16⅝-17⅛	10¼-10¾	10¼-10½	[illegible]	11¼-11⅝
Three months	9½-9⅝	10⅛-10⅜	9¼-10	6⅜-6½	4½-4⅝	6⅛-6⅜	13⅛-18⅜	17⅛-17⅜	11-11½	10⅞-11	6⅛-6⅜	11⅛-11⅝
Six months	9¾-10	10⅛-10⅜	10-10¼	6⅛-6⅜	4¼-4½	6⅛-6⅜	14¼-14½	18-18½	11¼-11¾	11-11¼	6⅛-6⅜	11½-11⅞
One Year	10⅛-10⅜	10⅜-11⅛	10⅛-10⅜	6⅛-6⅜	4⅛-4⅜	6⅛-6⅝	14½-14¾	18¼-18⅞	11½-18	11½-11¾	6⅛-6⅜	11⅜-11⅞

Asian $ (closing rates in Singapore): Short-term 9[11/16]-9[11/16] per cent; seven days 9[15/16]-9[15/16] per cent; one month 10⅛-10¼ per cent; three months 10[3/16]-10[5/16] per cent; six months 10[5/16]-10[7/16] per cent; one year 10¾-11 per cent. Long-term Eurodollars two years 11¾-11⅞ per cent; three years 11⅝-12 per cent; four years 12¼-12⅜ per cent; five years 12⅜-12⅝ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen, others two days' notice.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1983 High	1983 Low
METALS					
Aluminium	£1050	—	£810/815	£1050	£810/815
Free Markets c.i.f.	$1580/1610	+5.0	$970/1000	$1565/635	$995/102
Antimony					
Free Market 99.6%	$2450/2550	+50	$1850/1925	$2450/2550	$1760/850
Copper-Cash High Grade	£966.5	−34.0	£898	£1151.5	£907.75
3 months Do. Do.	£991.5	−32.76	£918.25	£1177.25	£931.25
Cash Cathodes	£949	−33.0	£858	£1115.5	£898
3 months Do.	£974.5	−28.20	£883.5	£1145.5	£913.5
Gold per oz.	$373.875	−15.0	$436	$508.5	$373.976
Lead Cash	£272.5	−9.625	£271.25	£316	£257
3 months	£282.125	−9.625	£281.25	£328.125	£266.75
Nickel	£4646.34	—	£4133.5	£4833	£4384
Free Markets c.i.f. lb.	205/225c	—	160/190c	235/265c	163/192c
Palladium per oz.	$151.50	−0.25			
Platinum per oz.	£268.80	−8.10	260	£318.95	£244.60
Quicksilver (76lbs)	$305/315	—	$360/368	$345/355	$257/265
Silver per oz.	624.40p	−20.0	635.50p	948.65p	560.85p
3 months per oz.	638.25p	−11.95	650.80p	975.10p	572.95p
Tin cash	£8677.5	−78.6	£7,445	£9,290.5	£7398.5
3 months	£8843.6	−14.5	£7,445.5	£9,991	£7402.5
Tungsten Ind.	$78.08	—	$99.91	$92.25	$72.17
Wolfram (22.04 lb.)	$68/72	—	$78/82	$90/92	$67/72
Zinc cash	£597.5	+5.75	£407.75	£595.6	£423.5
3 months	£611.0	+4.75	£418.5	£609.75	£438.25
Producers	$950	—	$800	$950	$750
GRAINS					
Barley Futures	£123.00y	−1.35	£114.25	£124.35	£109.35
Maize French	£146.50	+0.05	£144.00	£151.00	£141.00
WHEAT Futures	£123.85y	−0.80	£120.05	£138.85	£118.10
Hard Winter Wheat	‡	—	‡	‡	‡
SPICES					
Cloves (g)	£6,300	—	£6,000	£6,900	£6,000
Pepper, white	$3,350w	+200	$1,600	$3,550	$1,700
" black	$2,250w	+300	$1,375	$2,250	$1,200
OILS					
Coconut (Philippines)	$1040v	+65	$445	$1,040	$430
Groundnut 5%	‡	—		$1,100	$435
Linseed, Crude	‡	—	$310	£536.50	£308
Palm Malayan	$709z	+5	$377.5	$705	$365
SEEDS					
Copra (Philippines)	$676	+30	$290	$675	$295
Soyabeans (U.S.)	$302.6	−5.5	$237.5	$371.5	$303.5
OTHER COMMODITIES					
Cocoa Shipments §	£1,944.5	+97.5	£1,068	£1,944.5	£1,17[illegible]
Cocoa Futures Mar.	£1,884.5	+97.5	£1,031.5	£1,884.5	£1,1[illegible]
Coffee Futures Mar.	£2,020.5	+55	£1,651.5	£2,080.5	£1,5[illegible].5
Cotton Index	99.60c	+0.30	69.75c	92.35c	70.35c
Des. Coconut	£980	—	£500	£980	£510
Gas Oil Fut. Jan.	$240.870	−2.625	$287.25	$277.5	$990
Jute UA BWJ grade	‡	—	£240	£240	£240
Rubber kilo	84.20p	+0.25	61.25p	90.60p	50p
Sago Pearl	£280v	—	£235	£290	£242
Sisal No. 3L	$560v	—	$650	$675	$520/530
Sugar (Raw)	£134.00	−0.50	£101	£193.5	£95
Tapioca No. 1	£318v	—	£250	£316	£315
Tea (quality) kilo	278p	—	145p	278p	137p
(low med.) kilo	226p	—	‡	355p	115p
Wooltops. 64s Warp	421p kilo	+10	372p kilo	481p kilo	372p kilo

‡ Unq. (z) Jan. (y) Mar. (v) Dec-Jan. (w) Jan-Feb. (g) Madagascar. § Ghana cocoa.

REVIEW OF THE WEEK

Cocoa prices surge to five-year high

BY OUR COMMODITIES STAFF

COCOA PRICES reached the highest level for five years this week reflecting concern about West African crop prospects and the likelihood of a sizeable 1983-84 supply deficit.

The March quotation on the London futures market reached a peak of £1,895 a tonne at one time yesterday before closing at £1,884.50 a tonne, up £48 on the day and £97.50 on the week.

Prices were boosted on Thursday when the U.S. Department of Agriculture published reduced crop estimates for major West African producers.

The upward trend continued yesterday following the publication of a new forecast from the International Cocoa Organisation putting 1983-84 world cocoa production 180,000 tonnes below consumption.

Coffee prices also moved up strongly with the March futures position ending at £2,020.50 a tonne, up £53 on the week.

Traders attributed the rise to concern about near-term availability of coffee to the market plus "constructive" chart patterns. A continued rise could quickly trigger release of another 1m tonnes of export quotas under the International Coffee Agreement but traders thought this would easily be absorbed by the market.

This week's price rise was also encouraged by news that the Brazilian Coffee Institute had increased minimum export prices by 3 cents a lb and by a reduction in the USDA world crop estimate from 93.6m to 91.7m tonnes.

Metal markets suffered a severe setback when silver prices suddenly collapsed on Thursday. Fears of higher U.S. interest rates, following unfavourable money supply figures, and rumours of continued selling by South American producers desperate for foreign exchange earnings, were blamed for the sudden fall. The decline accelerated yesterday. The London bullion spot price was marked down to 624.40p an ounce at yesterday's morning fixing, after reaching 660.45p on Wednesday, and in the afternoon the spot price lost further ground to close at 605p.

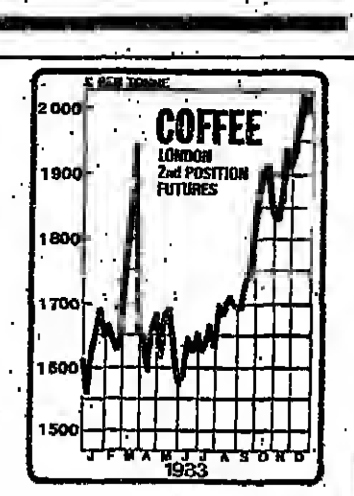
The decline in silver, the strong dollar and fears of a U.S. interest rate rise undermined gold too. The bullion spot fixing price yesterday afternoon closed at $373.875 an ounce, the lowest level since August last year, and $15 down on a week ago.

Free market platinum was marked down to $380.5 (£268.80) an ounce compared with $397.5 (£276.90) a week ago.

Base metal prices on the London Metal Exchange were boosted in the first part of the week by the weakness of sterling against the dollar. However the decline in gold and silver reversed the upward trend.

Copper was the worst affected. The higher grade cash price ended the week £30 lower at £965.5 a tonne. Sentiment was undermined by a series of domestic price cuts by North American producers (Asarco yesterday cut its copper price to 66 cents a lb), and another rise in LME warehouse stocks.

Aluminium and lead were also lower, but zinc managed to defy the general decline.



LONDON OIL

Gas oil—a quiet morning was again followed by a downward move in better volume during the afternoon. Pressure came from the U.S., where selling continued and some domestic crude postings were cut. New contract lows were made on all months, but January rallied to the highs on short coverings on the close.

Crude oil—Prices weakened in line with physicals and the U.S. market.

CRUDE OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per brl		
Feb.	28.00	−0.50	—
Mar.	27.79	−0.29	27.78-28.05
Apr.	27.90	−0.16	27.98-27.85
May	27.68	−0.32	27.90-28.00
June	17.75	−0.27	—

Turnover: 2,477 (2,982) lots of 100 tonnes.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.10-28.25	−0.05
Iranian Light	27.80-27.85	−0.05
Arab Heavy	26.15-26.25	−0.05
North Sea (Forties)	28.35-28.50	−0.25
North Sea (Brent)	28.45-28.65	−0.12
Africa (Bonny Li'ht)	28.70-28.85	−0.15
PRODUCTS—North west Europe CIF ($ per tonne)		
Premium gasoline	268-273	−2.0
Gas oil	242-250	−5.0
Heavy fuel oil	170-179	+4.0

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Dec.	238.50	−1.25	239.50-238.0
Jan.	241.00	−0.25	241.25-238.0
Feb.	238.25	−0.75	239.00-237.0
Mar.	234.75	−0.25	235.00-23.00
April	231.25	−1.25	232.50-231.9
May	229.50	−1.5	230.50-229.0
June	231.00	−0.75	230.75-229.2
July	230.50	−0.75	230.50-230.5
Aug.	234.00	+3.00	—

GOLD MARKETS

Gold fell $15¼ an ounce from Thursday's close in the London bullion market yesterday to finish at $373¼-374¼. The metal opened at $381-381¼ and traded between a high of $381¼-382 and a low of $373-373¼. There was little to support gold after a weaker U.S. opening with attention focussed on rising U.S. interest rates and the strength of the dollar.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
Dec.	378.00	−12.0	381.80-81.50
Feb.	381.80-82.00	−10.2	385.50-28.00
April	388.50-88.50	−11.65	389.50-91.00
June	394.50-96.00	−11.75	—
Aug	400.70-01.50	−12.4	—
Oct.	407.50-08.00	−11.00	407.80-07.00

	Dec. 16		Dec. 15	
Gold Bullion (fine ounce)				
Close	$373¼-374¼	(£264-264½)	$388¾-389½	(£273½-274)
Opening	$381-381¼	(£268½-269)	$388-388¼	(£273½-274)
Morning fixing	$381	(£268.556)	$388.60	(£273.855)
Afternoon fixing	$377.25	(£266.269)	$388.75	(£275.671)

Gold and Platinum Coins Dec. 16

Krugrand	$386-386½	(£273¼-273¾)	King Sov	$91-92½	(£64¼-65¼)
½ Krug	$198½-199½	(£140¼-141)	Victoria Sov	$91-92½	(£64¼-65¼)
¼ Krug	$101-102	(£71½-72)	French 20s	$75¾-79	(£54¼-55¾)
1/10 Krug	$41-42	(£29-29¾)	50 pesos Mex	$456-461	(£322¼-326)
Mapleleaf	$385½-386	(£272½-272¾)	100 Cor. Aust	$368-372	(£260¼-263)
New Sov	$88-89	(£62¼-62½)	$20 Eagles	$530-540	(£374¾-381¾)
½ New Sov	$52½-54½	(£37¼-38½)	Noble (Plat)	$395¼-399¼	(£279½-282¼)

BASE METALS

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £970, 70.50, 71, three months £996, 95.50, 96, 96.50, 97. Cathodes: Three months £978. Kerb: Higher Grade: Three months £998, 97.50, 98, 97. Afternoon: Higher Grade: Three months £95, 95.50, 95, 94.50, 95, 96, 94, 93, 92.50, 92, 91, 91.50, 92, 92.50, 92, 91, 91.50. Kerb: Higher Grade: Three months £993, 92.60, 92, 91.50, 92, 92.50. Turnover: 22,700.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	971.5-8	−7	955-6	−19
3 months	995.5-7	−8.25	991-8	−13
Settlem't	978	−7	—	—
Cathodes				
Cash	953-4	−8	949-50	−17.5
3 months	978-9	−9	974-5	−19
Settlem't	954	−8	—	—
U.S. pro'd	—	—	*66-70	......

TIN

Tin—Morning: Standard: Cash £8695, three months £8850, 48, 55, 31, 55. Higher Grade: Cash £8760, 65. Kerb: Standard: Three months £8851, 54, 50. Afternoon: Standard: Cash £8685, three months £8845, 43. Higher Grade: Cash £8770, three months £8860. Kerb: Standard: Three months £8840, 41, 45. Turnover: 1,805 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	8758-60	+6.5	8745-55	−15
3 months	8885-8	−12	8859-60	−15
Settlem't	8700	+5	—	......
Standard				
Cash	8695-700	......	8675-80	−22.0
3 months	8851-2	−4	8843-4	−15
Settlem't	9700	......	—	......
Straits E.	$29.20	—	—	......
New York				

LEAD

Lead—Morning: Cash £274, three months £283.50, 83, 83.25, 83.50, 84, 84.25. Kerb: Three months £284.50, 84. Afternoon: Three months £282, 83, 83.50, 82.50, 82, 82.25. Kerb: Three months £622, 82.50. Turnover: 14,900 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	274.25-.5	−1.57	272.25-.75	−2.75
3 months	284-.20	−1.62	282-.25	−3.12
Settlem't	274.5	−1.5	—	......
U.S. Spot	—	......	*24-8	......

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	589-90	+5	597-8	+11.5
3 months	604-.5	+4.5	311-8	+10.2
Settlem't	590	+5	—	......
Prim w'ts	—	......	*49-.75	......

Zinc—Morning: Three months £599, 600, 599.50, 600, 02, 03, 03.50, 04. Kerb: Three months £606, 07.50, 08, 08, 10, 11, 12, 13, 18, 13, 12. Afternoon: Three months 610, 11, 10.50, 11, 11.50, 11, 10.50, 10, 09.50, 10, 10.50, 11. Kerb: Three months £811, 12, 11, 10.50, 11. Turnover: 10,425 tonnes.

ALUMINIUM

Aluminium — Morning: Three months £1094, 94.50, 95, 98, 99. Kerb: Three months £1098.50, 1101, 02, 03, 04. Afternoon: Three months £1,104, 05, 05.50, 06, 05, 04, 03, 04, 04.50. Kerb: Three months £1103.50, 03, 02, 01, 1100, 01, 02, 03, 04, 03. Turnover: 24,050 tonnes.

Aluminim	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	1071.5-2.5	+3.75	1077-8	−9
3 months	1095-.5	+5	1103-4	+8.75

NICKEL

Nickel—Morning: Three months £3350, 45, 48, 50, 55. Afternoon: Three months £3355, 52, 58. Kerb: £3350. Turnover: 792 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	3275-85	+15.5	3277-80	+3.5
3 months	3365-60	+14.5	3337-8	......

* Cents per pound. ‡ M$ per kilo.

SILVER

Silver was fixed 28.45p an ounce lower for spot delivery in the London bullion market yesterday at 624.4p. U.S. cent equivalents of the fixing levels were: spot 884.8c, down 43.2c; three-month 906.6c, down 44.4c; six-month 937.8c, down 44.0c; and 12-month 982.5c, down 45.6c. The metal opened at 622-625p (883-887c) and closed at 603½-606½p (854-858c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	624.40p	−28.4	602.75p	−43.0
3 months	638.95p	−28.1	617.25p	−50.2
6 months	654.75p	−29.0	—	......
12 months	687.40p	−29.4	—	......

LME—Silver (2,000 oz. contract)—Three months 619p (667.5p). Turnover 7 (1).

Turnover: 113 (110) lots of 10,000 oz. Morning: Large cash 627.0, three months 640.0, 40.5, 41.0, 40.5. Kerb: Large three months 640.5, 40.0, 39.0. Afternoon: Large three months 626.0, 25.5, 24.5, 24.0, 15.0, 15.0, 18.0, 17.0, 18.0, 17.0, 10.0, 17.50. Small three months 624.0, 15.0. Kerb: Three months large 616.0, 15.0, 14.0, 18.0, 17.0, 16.0.

COCOA

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Dec	1903-05	+56.0	1908-47
March	1884-95	+48.0	1896-66
May	1874-75	+53.0	1887-18
July	1860-70	+54.5	1861-08
Sept	1846-50	+55.5	1646-90
Dec	1820-83	+62.0	1830-55
March	1817-88	+65.0	1818-03

Sales: 9,505 (8,612) lots of 10 tonnes.

ICCO—Indicator prices. NOT AVAILABLE.

COFFEE

COFFEE	Yest'day's Close	+ or —	Business Done
January	2123-2125	+22.5	2143-05
March	2080-2021	+25.6	2034-95
May	1923-1924	+11.0	1930-07
July	1878-1877	+4.5	1975-70
Sept	1837-1836	+11.5	1838-25
Nov	1805-1910	+11.5	1910-96
January	1785-1780	+19.0	1770-00

Sales: 3,093 (4,857) lots of 5 tonnes.

ICO Indicator prices (U.S. cents per pound) for Dec 15. Comp. daily 1979 141.97 (142.23); 15-day average 139.60 (139.37).

GRAINS

Business done—Wheat: Jan 120.90-0.35, Mar 123.55-1.20, May 126.5-6.25, July 129.45-9.20, Sept 113.10-3.00, Nov 118.00 only. Sales: 254 lots of 100 tonnes. Barley: Jan 120.90-0.35, Mar 123.40-2.95, May 125.25-4.80, Sept untraded, Nov 114.00 only. Sales: 102 lots of 100 tonnes.

WHEAT Mnth.	Yesterday's close	+ or —	BARLEY Yestday's close	+ or —
Jan	120.85	−0.65	180.35	−0.58
Mar	123.25	−0.30	193.00	−0.45
May	180.25	−0.38	124.80	−0.40
July	199.95	−0.28	—	
Sept	113.00	−0.20	111.00	−0.05
Nov	116.00	—	114.00	—

LONDON GRAINS—All stg per tonne cif UK sellers unless stated. Wheat: U.S. Dark Northern Spring No. 1 14 per cent Jan/March 145, trans shipment East Coast. Maize: French second half Dec 146.50, Jan 147.50, trans shipment East Coast. Rest unquoted.

POTATOES

Month	Yesterdy's close	Previous close	Business Done
	£ per tonne		
Feb.	158.70	169.00	159.50-158.5
April	185.50	186.00	186.00-185.5
May	191.60	194.00	195.40-191.0
Nov.	78.00	78.00	—
Feb.	87.00	79.00	88.00

Sales: 450 (827) lots of 40 tonnes.

RUBBER

The London physical market opened about slightly steadier, little interest throughout the day and closed very quiet, reported Lewis and Peat. The Kuala Lumpur December fob price for RSS No 1 was 264.5 (265) cents a kg and SMR 20 224 (223).

No. 1 R.S.S.	Yesterday's close	Previous close	Business Done
	£ per tonne		
Jan.	846-850	840-860	—
Feb.	856-857	845-860	—
Jan-Mch	859-857	860-861	958-857
Apl-Jne	866-868	862-863	868-868
Jly-Sept	877-878	878-875	878-877
Oct-Dec	898-880	888-884	—
Jan-Mch	898-899	899-894	—
Apl-Jne	907-909	902-905	—
Jly-Sept	918-920	912-815	818

Sales: 41 (181) lots of 15 tonnes, nil (1) lots of 5 tonnes.

Physical closing prices (buyers) were spot 84.25p (84.00p); Jan 85.00p (same), Feb 85.25p (same).

INDICES

FINANCIAL TIMES

Dec. 15	Dec. 14	M'th ago	Y'ar ago
292.71	295.13	284.68	252.15

(Base: July 1 1952=100)

REUTERS

Dec. 16	Dec. 15	M'th ago	Y'ar ago
1965.7	1960.4	1894.9	1671.6

(Base: September 18 1931=100)

MOODY'S

Dec. 15	Dec. 13	M'th ago	Year ago
1053.8	1047.6	1005.5	989.7

(December 31 1931=100)

DOW JONES

Dow Jones	Dec. 15	Dec. 14	Month ago	Year ago
Spot	137.69	138.60	133.30	132.82
Fut's	141.81	143.97	141.40	157.18

(Base: December 31 1974=100)

SOYABEAN MEAL

The market opened lower in quiet trading conditions reports T. G. Roddick. Prices remained depressed with trade and commercial selling throughout the day.

	Yesterday's close	+ or —	Business Done
	£ per tonne		
Dec	—	—	—
Feb	179.10-78.70	−5.0	181.00-78.00
April	182.40-83.40	−2.4	184.50-85.10
June	173.20-80.00	−2.0	181.50-80.00
August	178.00-79.50	−2.0	179.10-79.10
October	169.50-72.00	−1.70	—
Dec	169.00-84.00	−1.25	—

Sales: 82 (140) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £134.00 (£133.00) a tonne for Dec-Jan shipment. White sugar £157.00 (£156.50).

No. 4 Contract	Yestday's close	Previous close	Business done
	£ per tonne		
Mar	154.60-54.75	155.25-55.40	155.25-52.25
May	160.25-60.40	158.50-58.75	160.50-57.75

No. 6 Contract	$ per tonne		
Mar.	220.40-20.60	219.40-19.90	220.20-19.60
May	228.00-28.60	227.00-27.00	220.00-26.20
Aug.	238.00-38.80	235.00-36.00	238.80-34.40
Oct.	245.80-44.40	245.00-44.00	244.00-44.00
Dec.	250.40-52.40	250.00-51.00	—
Mar.	265.40-67.00	265.00-66.00	—
May	275.00-75.00	272.00-74.00	—

Sales: No 4 1,410 (3,727); No 6 137 (410) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £241.50 (£237.25) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for December 15: Daily price 7.63 (7.41); 15-day average 8.12 (8.17).

AMERICAN MARKETS

NEW YORK

ALUMINIUM 40,000 lbs, cents/lb

	Close	High	Low	Prev
March	7545	7675	7620	7625
May	7605	—	—	7680
July	7715	7730	7730	7705
Sept	7835	—	—	7825
Dec	8005	—	—	8005
Jan	8045	—	—	8060
March	8150	—	—	8160
May	8250	—	—	8260
July	8350	—	—	8370
Sept	8450	—	—	8480

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
March	2548	2550	2496	2471
May	2520	2522	2480	2457
July	2510	2510	2478	2448
Sept	2505	2505	2460	2426
Dec	—	—	—	2513
March	2455	2455	2450	2381

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
Dec	155.09	55.60	54.40	54.15
March	148.66	48.90	48.01	47.69
May	142.70	42.95	42.26	42.03
July	139.00	39.30	38.50	38.60
Sept	136.49	36.25	35.50	35.88
Dec	133.26	33.95	33.95	33.00
March	131.75	—	—	31.00

COPPER 25,000 lbs, cents/lb

	Close	High	Low	Prev
Dec	62.30	62.30	61.90	61.95
Jan	62.50	62.55	62.05	62.70
Feb	63.16	—	—	62.85
March	63.85	64.00	63.30	63.55
May	65.10	65.26	64.60	64.80
July	66.45	66.60	66.00	66.10
Sept	67.80	68.00	67.30	67.45
Dec	69.90	70.15	69.40	69.55
Jan	70.60	70.15	70.15	70.25
March	71.95	72.00	71.40	71.60

COTTON 50,000 lbs, cents/lb

	Close	High	Low	Prev
March	78.61	78.84	77.85	78.30
May	79.93	79.95	78.12	79.43
July	80.33	80.50	79.84	80.40
Oct	75.30	75.40	74.98	75.25
Dec	73.75	73.80	73.31	73.67
March	76.00	—	—	74.80
May	75.40	78.45	75.45	75.90

CRUDE OIL (LIGHT) 42,000 U.S. gallons, cents/U.S. gallons

	Close	High	Low	Prev
Feb	28.28	28.68	28.15	28.65
March	27.97	28.32	27.87	28.32
April	27.77	28.13	27.68	28.10
May	27.65	28.00	27.60	27.96
June	27.60	27.88	27.60	27.85
July	27.60	27.60	27.50	27.76
Aug	27.50	27.90	27.50	28.40
Sept	—	27.60	27.60	27.90

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Dec	373.3	380.3	372.0	380.5
Feb	377.0	386.0	375.5	385.1
April	383.3	392.5	382.5	391.0
June	389.9	399.5	389.0	398.4
Aug	400.0	403.5	397.3	405.4
Oct	405.5	409.0	404.0	412.5
Dec	412.0	421.0	411.0	419.2
Feb	420.7	424.0	419.0	427.3
April	428.0	433.6	425.5	434.9
June	435.0	436.0	434.0	442.8
Aug	442.0	442.0	442.0	451.0
Oct	459.0	—	—	459.4
Jan	382.4	—	—	382.2

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Close	High	Low	Prev
Jan	76.00	77.15	75.80	77.05
Feb	75.00	79.10	74.85	75.98
March	73.50	74.60	73.35	74.54
April	72.00	72.81	71.90	73.10
May	71.10	72.20	71.00	72.70
June	71.20	—	—	72.40
July	72.75	—	—	72.75
Aug	—	—	—	75.00
Sept	—	—	—	74.45
Oct	—	—	—	75.20

ORANGE JUICE 15,00 lb, cents/lb

	Close	High	Low	Prev
Jan	123.80	23.80	23.40	23.60
March	123.70	23.75	22.80	23.00
May	123.40	23.50	22.90	23.00
July	123.40	23.50	22.85	23.00
Sept	123.45	23.50	23.50	23.70
Nov	122.00	—	—	21.00
Jan	119.00	15.00	16.50	18.50
March	118.25	—	—	18.40
May	118.25	—	—	18.40

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Dec	382.5	—	—	382.9
Jan	384.6	386.5	381.5	384.9
Feb	—	—	—	—
April	392.3	394.5	389.5	392.6
July	399.2	401.0	397.0	399.4
Oct	406.1	404.5	402.5	406.3
Jan	413.1	413.0	413.0	413.3
April	423.0	—	—	—

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Dec	860.0	886.0	844.0	881.9
Jan	863.0	890.0	850.0	885.0
Feb	869.0	876.0	870.0	892.0
March	877.0	905.0	860.0	900.0
May	892.5	920.0	878.0	917.0
July	908.2	934.0	900.0	934.0
Sept	924.5	946.0	910.0	951.5
Dec	948.9	975.0	940.0	978.0
Jan	957.2	—	—	957.0
March	974.0	—	965.0	965.0

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
Jan	7.65	7.72	7.60	7.60
March	8.67	8.75	8.62	8.60
May	9.00	9.05	8.96	8.92
July	9.32	9.38	9.26	9.23
Sept	9.55	9.60	9.51	9.45
Oct	9.73	9.75	9.66	9.65
Jan	10.44	10.45	10.15	10.20
March	10.75	10.78	10.64	10.60

CHICAGO

LIVE CATTLE 40,000 lbs, cents/lb

	Close	High	Low	Prev
Dec	66.85	67.17	66.57	66.87
Feb	65.62	65.85	65.25	65.62
April	66.10	80.55	65.59	66.55
June	66.17	66.65	65.90	66.63
Aug	64.07	65.10	64.50	65.10
Oct	62.50	63.05	62.50	62.90

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Dec	48.10	48.75	47.55	48.47
Feb	48.77	49.40	48.70	49.42
April	47.45	48.12	47.35	47.50
June	52.77	53.45	52.75	53.30
July	54.05	54.55	53.90	54.30
August	53.71	54.17	53.75	54.10
Oct	51.95	52.40	51.30	52.15
Dec	52.95	52.95	52.65	52.95
Feb	53.20	53.47	53.30	53.45

MAIZE 5,000 bu min, cents/56 lb bushel

	Close	High	Low	Prev
Dec	327.4	327.6	324.6	325.4
March	331.0	331.0	327.4	329.0
May	334.2	334.4	330.6	332.2
July	333.0	334.2	331.0	332.4
Sept	308.4	309.6	307.0	308.0
Dec	289.0	299.0	289.0	291.0

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Feb	63.95	65.10	63.07	65.25
March	64.32	65.50	63.95	65.67
May	65.85	66.75	65.40	66.97
July	69.17	67.25	66.00	67.75
August	64.80	66.00	64.55	65.20

SOYABEANS 5,0000 bu min, cents/60 lb bushel

	Close	High	Low	Prev
Jan	783.0	783.0	748.0	750.0
March	800.0	800.0	764.0	771.4
May	809.0	910.0	775.4	784.4
July	816.0	816.0	782.0	790.4
Aug	803.0	803.0	772.0	777.0
Sept	742.0	744.0	720.0	720.0
Nov	699.0	699.0	681.0	684.2
Jan	706.0	706.0	697.0	697.4
March	718.4	715.4	713.0	710.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Dec	214.5	214.5	210.0	211.5
Jan	214.5	215.0	210.0	212.2
March	217.3	218.0	211.7	213.8
May	218.0	219.0	212.2	214.0
July	219.0	220.0	213.0	214.8
Aug	217.0	217.0	210.5	211.3
Sept	208.0	209.0	203.0	204.7
Oct	191.5	191.5	187.5	187.5
Dec	192.0	192.0	188.0	188.3
Jan	193.0	192.0	190.0	189.3

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
Dec	27.12	27.20	25.90	26.12
Jan	27.16	27.10	25.90	26.16
March	27.68	27.06	20.42	26.60
May	28.15	28.15	26.90	27.15
July	28.32	28.32	27.05	27.71
August	27.70	27.70	26.90	27.05
Sept	26.60	26.75	25.90	26.10
Oct	25.45	25.50	24.85	25.10
Dec	25.00	25.00	24.55	24.80
Jan	24.80	—	—	24.65

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
Dec	346.4	346.4	343.0	341.6
March	356.4	355.8	340.4	351.0
May	353.4	353.6	349.0	349.6
July	341.0	341.0	336.4	339.0
Sept	347.0	347.2	345.6	345.0
Dec	360.0	360.0	356.0	358.0

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Dec 415, 420, untraded; Jan 410, 412, 412-407; Mar 424, 428, 428-418; May 430, 432, 435-430; Aug 444, 446, 448-445; Oct 447, 448, 449-447; Dec 455, 458, 457-453; Jan 455, 460, 460; Mar 458, 488, untraded; May 462, 470, 469-467. Sales: 242.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Dec 538.5, 543.0, 543.0-540.0; March 558, 560.0, 560.0-559.0; May 573.0, 574.0, 575.0-575.0; July 582.0, 584.0, 583.0-583.0; Oct 573.0, 577.0, untraded; Dec 582.0, 585.0, untraded; March 581.0, 604.5, untraded; May 600.0, 612.5, untraded. Sales: 30.

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the five previous days is given with the relevant date.

‡ Bargains at special prices. ◊ Bargains done the previous day. Δ Bargains done with non-member or executed in overseas markets.

UK PUBLIC BOARDS

COMMONWEALTH GOVT.

FOREIGN STOCKS (coupons payable London)

CORPORATIONS—FOREIGN

BANKS, DISCOUNT

BREWERIES

COMMERCIAL, INDUSTRIAL

A—B

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

FINANCIAL TRUSTS

INSURANCE

INVESTMENT TRUSTS

UNIT TRUSTS

MINES—MISCELLANEOUS

MINES—SOUTH AFRICAN

OIL

PROPERTY

PLANTATIONS

RAILWAYS

SHIPPING

UTILITIES

WATERWORKS

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration

UNLISTED SECURITIES MARKET

RULE 163 (2)

Applications granted for specific bargains in securities not listed on any Stock Exchange

(By permission of the Stock Exchange Council)

Offshore and Overseas—continued

Insurances—continued

United Fund Managers Ltd
10-18 Queens Road Central, Hong Kong. 5-231417
S&MlyT 10.75 11.23 +0.20 —

Money Market Bank Accounts

	Nom	APR	Int cr	Notice
Aitken Hume				
1 Worship St EC2A 2NQ. 01-638 6070				
Treasury Acc	8.75	9.01	Qtr	Call
MnthlyIncAcc*	8.63	9.00	Mnth	Call
Bank of Scotland				
30 Threadneedle St EC2P 2EH. 01-628 8060				
Cheque Acc*	8.80	8.18	Mth	Call
Britannia Gp of Unit Trusts Ltd				
29 Finsbury Circus, EC2M 5QL. 01-588 2777				
Cater Allen*	8.87	9.24	Mth	Call
Dartington & Co Ltd				
Dartington, Totnes, Devon TQ9 6JE. 0608 862271				
MnyMktAcc*	8.75	9.01	Qtr	Call
Lombard North Central PLC				
17 Bruton St W1A 3DH. 01-408 5434				
Notice Deposit	9.0	9.2	Rate 14 day change	
Save & Prosper				
28 Western Rd, Romford RM1 3LB. 0708 66966				
FlexaHighInt*	8.34	8.70	Daily	Call
Tyndall & Co				
29/33 Princess Victoria St, Bristol BS8 4BX. 0272 702241				
Demand Acc	8.70	0.05	Qtr	Call
Money Acc*	8.75	9.05	Qtr	Chq.7
J. Henry Schroder Wagg and Co Ltd				
120 Cheapside, London EC2V 6DS. 01-382 8226				
Special Dep	6.59	6.80	6mth	7day

*Cheque book facility available.

NOTES—*Cheque book facility available. Interest is calculated on the basis of a nominal rate for a given period, but will not be comparable between funds or accounts if the intervals between interest credits differ. The annual percentage rate (APR) is comparable, although it will only represent the amount actually earned in a year if interest rates are unchanged. Notice periods relate to penalty-free minima; in some cases earlier withdrawal is possible subject to an interest cost.

Money Market Trust Funds

Sony shows recovery in final quarter

By Our Financial Staff

NET INCOME at Sony Corporation rose by nearly 500 per cent from Y2.48bn ($10.5m) a year earlier, it was stated by the Japanese electronics group yesterday.

The improvement is based on active video tape recorder and colour television set sales. Sony's fourth quarter and annual results are to be disclosed in full on Monday.

The sharp rise in income in the fourth quarter could bring full year net income to around Y29.1bn, Sony said. In 1981-82 it reported consolidated net income of Y45.82bn on sales of Y1.114bn.

The fall in income in 1982-83 is attributed largely to lower first-half VTR sales and to reduced sales in South America.

Modest gain at Fuji Photo Film

By Our Financial Staff

FUJI PHOTO FILM, Japan's leading photographic film company which also has extensive interests in magnetic tapes and medical products saw its parent company after-tax profits rise 3.6 per cent in the year ended October 20, to Y49.16bn ($208.5m) from Y47.43bn the previous year. Per share profits were not announced, but the dividend is being increased to Y9.50 from Y8.50.

Sales during the year increased 6.7 per cent to Y545.06bn ($2.3bn) from Y510.99bn. At the pre-tax level, parent company profits fell slightly from Y96.64bn to Y93.44bn.

For the current financial year, the company is predicting after-tax profits of Y48bn on sales of Y600bn and is expecting to raise dividend to Y10.50.

Republic Bank sees profit setback after acquisition

BY PAUL TAYLOR IN NEW YORK

REPUBLIC BANK, the Dallas-based banking group which two months ago acquired the failed First National Bank of Midland, warns that its net earnings in the fourth quarter and full year will fall because of higher loan losses and the costs of the acquisition.

Republic which became the second largest banking group in Texas with $17.7bn in assets as a result of the First National acquisition, expects fourth quarter earnings to plunge to between $15m and $18m, or between 52 cents a share and *62 cents, from $32.3m or $1.12* a share in the same period last year.

The fourth quarter earnings is expected to mean a final net for the year of around $130m compared with $143.8m in 1982.

Republic attributed the expected decline to increased loan charge-offs as well as costs incurred on re-opening the former First National as Republic Bank First National Midland.

The bank said it expected to charge off about $50m in problem loans in the fourth quarter, which would send total charge-offs this year soaring to $98m, compared with $36m last year.

When First National was seized by bank regulators in October is was the second largest banking collapse in the U.S. Under the acquisition deal the Federal Deposit Insurance Corporation assumed responsibility for $1.1bn in First National loans, including a sizable but troubled energy loan portfolio.

Republic paid $51.1m for the remainder of First National, which had $1.4bn in assets. Under the terms of the deal Republic also had a 30-day option on which loans, if any, it wanted from the portfolio assumed by the FDIC.

Agee severs remaining link with Allied

By Our New York Staff

MR WILLIAM AGEE, the former chairman and chief executive of Bendix Corporation, who was at the centre of one of the most publicised take-over battles in recent years, has severed his final links with Allied Corporation by resigning as a director.

Earlier this year Mr Agee resigned as president of Allied and chairman of Bendix following disagreements with Mr Edward Hennessy, chairman of Allied which acquired Bendix after a bitter, complex and highly controversial Bendix bid for Martin Marietta fell apart.

Mr Agee, who scooped up a multi-million dollar "golden parachute" payment when he resigned his Bendix post, was re-elected to the Allied board in April. At that time Mr Hennessy, who had blocked Mr Agee's ambitions to become Allied's chief operating officer, said "his counsel will be extremely valuable to us."

Mr William Agee

The final parting, however, appears to have been bitter. In a letter to the Allied board, Mr Agee said he was pleased the Allied Bendix merger had gone so smoothly.

However, the fiery 45-year-old added that he was resigning from the board because of "my efforts to contribute have been discouraged."

Volvo replaces top executive at STC

By Kevin Done in Stockholm

VOLVO, the Swedish motor, food and energy group, has appointed one of its senior executives to take over at Scandinavian Trading Company, as part of the continuing shake-up of top management at its financially-troubled oil trading subsidiary.

Mr Jan Danielson, aged 48, at present president of Volvo International Development Corporation, will take over as chief executive of STC from the beginning of February.

STC has run up substantial losses this year both from ill-judged oil trading deals and from its involvement in oil and gas exploration and production in the U.S. Losses for 1983 are now expected to total SKr 475m ($58.6m).

Volvo was forced to pump in SKr *440m* in new capital earlier this year to rescue STC.

Ciba to buy Du Pont pigment interests

By John Wicks in Zurich

CIBA-GEIGY, the Swiss chemicals concern, is to pay SwFr 50m ($22.6m) for a major part of the pigments business of Du Pont, the U.S. chemicals group. The deal should be completed within the first quarter of next year.

Du Pont intends to give up manufacture and sale of blue and green pigments. The Swiss company's U.S. subsidiary, Ciba-Geigy Corporation, is to take over Du Pont's Chinacridon product line and a manufacturing plant in Newport, Delaware.

At the same time, Du Pont is selling its chromatic pigments business to Heubach of West Germany. The operations to be sold to the Swiss and German companies are said to have a combined turnover in excess of $100m.

The purchase will consolidate Ciba's position as one of the world's leading pigment producers. In 1982, sales of the group's plastics and additives division, including pigments, totalled SwFr 2.58bn.

● Landis and Gyr, the electrical engineer, expects to report a big recovery in profits for the year ended September, 1983. Provisional figures point to profits of SwFr 48m ($21.7m) compared to SwFr 32m for 1981-82, which year represented a decline of 40 per cent.

Landis says the improvement has taken place despite a 2 per cent dip to SwFr 1.23bn in sales. New order value last year fell by 2 per cent to SwFr 1.27bn, although this mainly resulted from an average decline in foreign currency values.

San Miguel forges closer ties with bank

BY EMILIA TAGAZA IN MANILA

TWO OF the Philippine's most formidable companies have further strengthened an increasingly close relationship with a 500m peso ($36m) equity investment by San Miguel Corporation (SMC), the country's largest company, in United Coconut Planters' Bank (UCPB), one of the most influential banks.

As a result of the new investment, Mr Andres Soriano, SMC's chairman, will be formally appointed vice-chairman of UCPB, which is controlled by the Philippine coconut industry, one of the country's biggest export earners.

SMC's 500m peso investment, in the form of preferred shares will double UCPB's authorised capital to 1bn pesos ($71.5m), formalising status as a "universal bank" (a bank with an expanded capital base which is allowed by the government to invest in the shares of other companies).

Earlier this year, three UCPB executives were elected to the SMC board by virtue of the bank's purchase of about 20 per cent of San Miguel shares, which had been unloaded by Mr Enrique Zobel, former vice-chairman of SMC.

There are strong indications that UCPB is moving to expand further its holding in San Miguel. Last Thursday, San Miguel shares worth 1.66bn pesos ($118m)—about 30 per cent of total outstanding shares—changed hands, although both seller and buyer remain unknown. The transaction was the biggest in the 53-year history of the Manila stock exchange.

Stockbrokers believe that the huge block of shares belonged to major holders identified with Mr Soriano, to whom the shares were assigned. According to brokers, the transfer of shares to Mr Soriano as a "trustee" indicates a purchase by the same group which bought the 20 per cent share sold by Mr Zobel last May.

Thailand cracks down on credit companies

BY OUR FINANCIAL STAFF

THE THAI Government has revoked the operating licences of three finance companies and two credit institutions. A number of other credit companies were being placed under the control of the central bank, the Finance Ministry said.

The moves are part of a package of measures aimed at curbing the freewheeling operations of Thailand's credit industry, which has run up against major liquidity problems.

Tough legal actions are to be taken against companies "considered as likely to cause damage to the public."

The companies which have had licences revoked are Equity Development Finance and Securities Company, Thailand and Housing Finance and Securities Company, Yawaraj Finance Company, Synpermsuk Credit Foncier Company and Housing Finance and Securities Company. The companies placed under central bank control are Yawaraj Credit Foncier and Chalermloke Credit Foncier. Four of the companies have already stopped operating.

Renault in robot deal with Merlin Gerin

By David Marsh in Paris

RENAULT, France's state-owned vehicle-maker, and Merlin Gerin, the electrical engineering company in the Empain-Schneider group, have agreed to work towards pooling their efforts in manufacturing automated production equipment.

In a joint announcement the two companies said they were "studying" a grouping of activities which would give rise to a specialised concern with a turnover of around FFr 35m ($4.1m), in line with principal international rivals in this area.

The grouping would affect Renault's automated production subsidiary, Renault Automation and the Merlin Gerin works at Grenoble, in southern central France.

Renault is one of France's leaders in robots and automated factory processes. The equipment on which the two companies would collaborate centres on computerised apparatus which can be programmed to carry out specific assembly operations in industrial processes.

The French market for this type of equipment is put at around FFr 650m per year, and is thought to be growing at more than 15 per cent a year.

● Lafarge Coppee and the Lavalin group of Canada have agreed to merge their engineering activities.

The merger will include the majority of the 1,100 employees of Lafarge Coppee's engineering group, created in 1981 through the merger of some parts of the Coppee group with activities in Lafarge.

Lavalin has a workforce of about 5,000. Some 25 per cent to 30 per cent of its turnover comes from outside Canada.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

Strength in London Brick prompts 6.5 rise in index

Midland Bank drop—Gilts steadier

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Nov 28	Dec 8	Dec 9	Dec 19
Dec 12	Dec 22	Dec 29	Jan 9
Dec 30	Jan 12	Jan 13	Jan 23

* " New-time " dealings may take place from 9.30 am two business days earlier.

The first leg of the three-week Christmas trading Account drew to a quiet close yesterday. Bid situations, actual or rumoured, and those companies reporting trading statements provide the day's equity features, while Government securities moved narrowly in thin trading.

The building pitch provided the day's outstanding feature in London Brick which jumped 31 to 135p to stand well above the 120p cash bid from Hanson Trust, announced late on Thursday and rejected by LB's board yesterday; other brickmakers and kindred trades were marked up in sympathy, while Hanson softened 2 to 258p.

The sharp gain in London Brick, an index constituent since the latter's inception in 1935, was sufficient to push the FT Industrial Ordinary share index close to its all-time peak of 760.2 From an opening gain of 5.6 at 10 am, the measure had extended the rise to 6.7 by 3 pm before closing 6.5 up and 2.2 better on the week at 758.3, an impressive performance considering the precarious position this week of sterling on currency and interest rate uncertainties.

Elsewhere, the shock revelation that its U.S. subsidiary Crocker National Bank of California expects to report a loss of U.S.$57m for the fourth quarter due to property loan problems demoralised *Midland Bank*; the latter now expects to have £75m wiped off its profits for the year and the shares plummeted 55 to *the day's lowest of 378p*, although other clearers recovered most of early sympathetic falls which had ranged to 15.

Sterling's *further rally* yesterday, forecasts that Britain's economic recovery will continue well into next year and a modest *fall in the annual inflation rate as* measured by the November Retail price index made little impact on sentiment in Government securities. The favourable factors were countered by the worse-than-expected PSBR figures and the inflationary implications *of the record* U.S. *current* account deficit.

Longer-dated gilts attracted selected demand, however, and remaining shelf supplies of Exchequer 10½ per cent 1997, a further tranche of £200m of which was announced just over a week ago, were exhausted. Closing gains in the longs ranged to ¼. Shorter-dated maturities were mixed and the FT Government Securities Index picked up 0.08 up at 82.34, its first upward movement in seven trading sessions.

A collapse in the gold bullion price, which was $16 down at one stage, caused nervousness in South African gold shares which closed weaker throughout to leave the FT Gold Mines index 12.5 lower at 558.0.

Clearing Banks also had to contend with revived South American debt concern following Argentina's recent confusing moves. Lloyds were hit most and closed 12 down at 538p, while NatWest slipped 7 to 638p, both ending *slightly above* the day's lowest. Barclays dipped to 470p but showed remarkable resilience later reverting to the overnight price of 485p. Merchant Banks were featured by sudden weakness in recently-firm Hill Samuel; speculators evidently became *nervous in the absence* of Thursday's strongly rumoured U.S. bid and the price reacted 17 to 330p, after 328p.

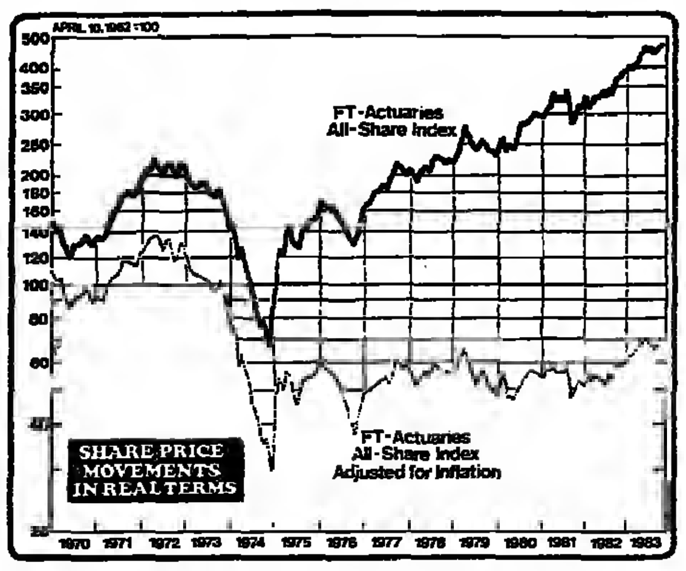
Eagle Star traded steadily awaiting the next move in the bid battle to close unchanged at 720p, after 715p. Royal gave up 6 more at 506p and Life issues often eased with the exception of Hambro Life, which moved up 6 to a peak for the year of 470p.

Moray Firth Maltings, which staged a successful debut in the Unlisted Securities Market on Thursday, attracted fresh support and rose 25 to 240p compared with the placing price of 195p. Aspinall Holdings, which in mid-November stood at 175p, traded on a steadier note yesterday but still finished 13 down on the week at 130p.

Leading Breweries continued to *drift in the continued absence* of institutional enthusiasm. Bass gave up 2 more for a fall on the week of 25 at 303p, while Grand Metropolitan, *preliminary* results due next Thursday, closed 4 cheaper at 338p. Trading statements enlivened proceedings among regional counters: Dorset brewers Eldridge Pope advanced 13 to 698p following the increased annual profits and dividend and proposed scrip issue, but Mansfield declined 17 to 415p after announcing a slight downturn in first-half earnings. Nottingham-based Hardys and Hansons shed 7 at 348p following the preliminary profits standstill.

The excitement generated by Hanson Trust's bid for London Brick spilled over into other brick concerns, although most gains reflected a straight markup rather than genuine buying. Baggeridge Brick led the way with a gain of 14 at a high for the year of 140p, while Ibstock Johnsen, itself the subject of an offer from London Brick at one stage, put on 7 to a 1983 peak of 172p. Nottingham Brick, which announced excellent preliminary figures and capital proposals earlier in the week, rose 15 more to 430p. Elsewhere, Tarmac, tipped as a possible counter bidder for London Brick, shed 4 to 422p as the group emerged as the suitor *for* Francis Parker: the latter, standing at a high for the year of 52½p prior to the announcement, finished 3 down at 49p on disappointment with the 50p per share agreed offer. The takeover developments in the sector sparked interest in old bid favourite Marley which put on 4 to a 1983 peak of 79p. Beechwood continued to reflect the first-half loss and shed a penny for a fall on the week of 9 to 17p, a *low* for the year.

ICI, marked down to 644p following the near-10 point fall on *Wall Street*, picked up *on* overseas earnings prospects as dealers took note of sterling's weakness and closed only a *couple of pence cheaper* on balance at 648p.



FII revive

Thursday's bout *of profit-taking* in FII proved short-lived as investors gleaned encouragement from further favourable comment *concerning* the *company's* anti-rhinitis inhaler and the shares rose 10 to record a five-day advance of 35 at 179p.

Leading Stores closed the first-leg of the extended Account in quietly mixed mood, although dealers reported a useful two-way trade after the house close. Woolworth continued to respond to persistent demand in a narrow market and rose 4 to a 1983 peak of 340p. Vantona Viyella succumbed to profit-taking in the wake of Thursday's stake sale by ICI and subsequent profits forecast and finished 4 off at 165p. NSS Newsagents, which revealed slightly increased full-year profits last Tuesday, added 4 more at 94p, but Martin The Newsagent remained on offer and shed 3 for a fall on the week of 12 at 140p. Rowland Gaunt were wanted and put on 12 to 140p.

Pending an announcement, dealings in rumoured "shell" situation Kraft Productions were suspended at 200p in late dealings, a gain of 45 on the day and 65 on the week.

United Scientific, still reflecting disappointment with the second-half profits performance, fell 17 for a two-day loss of 44 to 318p. AB Electronic, a good market earlier in the week, met profit-taking and reacted 15 to 380p, but First Castle, in response to Press mention, put on 6 to 116p. Security Tag gained 35 to 580p and Atlantic Computer closed 12 up at 415p. Down to 275p at one stage, Oceonics rallied following the interim figures to close 10 dearer on balance at 290p. Leading Electricals passed a subdued trading session with quotations usually a few pence lower. GEC, however, edged up a couple of pence to 178p, but still showed a fall of 15 since Monday's announcement of the half-year results.

Leading Engineers were rarely altered after a slow day's trading, but selective interest was shown in secondary issues. The increased annual dividend and profits prompted a rise of 20 to 585p in Chemring, while satisfactory interim results and the proposed one-for-ten scrip issue left British Steam Specialties 3 dearer at 85p. Favourable Press mention stimulated occasional demand for RHP which put on 3 to 39p. Fresh support left John Brown a couple of pence firmer at 19p, after 20p, while IMI were briskly traded and closed 2½ in the good at 64½p. Evered were also noteworthy for a rise of 5 to 99p.

After falling 10 on Wednesday on unsubstantiated reports that Hanson Trust had sold its near-4 per cent stake in the company, Tate and Lyle shed 7 more to 363p following Hanson's bid for London Brick. Elsewhere in the Food sector, Maynards soared 112 to 310p on the announcement of Mr Lewis E. Cartier's 250p per share cash bid for 51.8 per cent of the issued Ordinary shares. Bio-Isolates, a volatile market this week, put on 8 to 88p, a net 13 down on the week; the preliminary results are due in mid-January. Albert Fisher attracted renewed support following an investment recommendation and gained 6 to a fresh high of 74p.

BOC up again

Anticipating fresh U.S. demand, BOC International rose 6 further to 293p among Miscellaneous Industrials. Reports of revived French interest in the Channel Tunnel project triggered demand for the shares which, in a thin market, jumped 27 to 113p. Johnson Matthey found support and advanced 7 to 247p, while Cookson, 222p, and Sterling Industries, 112p, *put on 6 and 8 respectively*. Betlair featured late with a rise of 30 to 625p and, after recent weakness, London and Liverpool managed to regain 3 to 28p but retained a net loss of 7 on the week.

Sharply increased interim profits lifted Wedgwood 4 to 122p and Kennedy Smale, 3 better at 83p, also responded to mid-term results. Further consideration of Thursday's reduced first-half profits left Continuous Stationery 3 down at 42p. Norcros fell 6 to 149p as speculators hoping for a bid from Hanson Trust sold recent purchases. Highgate Optical dropped 7 to 80p and Pritchard Services 6 to 109p.

Dunlop provided a late feature among Motors, falling to a 1983 low of 38p before closing 3 cheaper on balance at 39p on the announcement that the deal with Pegi Malaysia, under which both parties would control 25.5 per cent of Dunlop Malaysian Industries, has failed to obtain the consent of the Malaysian Foreign Investment Committee and has therefore lapsed. Elsewhere in Components, a generally favourable Press response to the annual results lifted AE to 63½p. Among Distributors, Caffyns reacted 10 to 136p on profit-taking but Kenning firmed 3 more at 125p.

The easier tendency apparent among leading Properties late on Thursday continued yesterday with scattered selling leaving Land Securities 6 off at 256p and MEPC 4 cheaper at 252p. Secondary issues, however, displayed one or two firm spots, notably Clarke Nickolls, which gained 5 to 125p, and Apex, 6 up at 106p.

Early activity in Textiles centered on Tootal which touched 40½ before settling 2 dearer on balance at 39½p following the proposed sale of 19.9 per cent of the 49.9 per cent-owned Australian associate Bradmill. G. & G. Kynoch rose 5 to 53p on the sharply reduced full-year deficit, while Shaw Carpets closed 2½ to the good at 45p in response to a broker's visit.

The recommended offer from English Association left Rosedimond Capital shares 21 higher at 206p and the Income shares a penny firmer at 51p; English Association eased 3 to 142p. Among Financials, Yelverton met demand and put on 6 at 57p, while late support left R. P. Martin 25 to the good at 225p. Smith Bros. closed unaltered at 76p; the announcement that N. M. Rothschilds had taken a 29.9 per cent stake in the company came well after market hours.

The Oil leaders usually closed a shade lower after a subdued trading session. BP eased a couple of pence to 394p, but Shell ended without alteration at 560p, after being a few pence easier at one stage. Charterhouse Petroleum fell to 107p and closed 9 down at 108p on the £37m rights issue. Britoil gave up 4 to 184p, while occasional offerings left Ultramar 12 cheaper at 605p. Weeks (Bermuda) and Weeks (Australia), up 20 apiece at the common price of 365p, continued to reflect bid speculation. Claremont Petroleum improved 7 to 123p following the chairman's annual review. Among the Irish explorers, Atlantic Resources fell 25 to 630p and Aran 5 to 67p.

Following similar action in Malaysia, dealings in Kuala Lumpur Kepong were suspended at 99p.

Golds retreat

What began as a promising week in mining markets ended in disarray. A sudden, and sharp, sell-off in silver in overnight American markets prompted renewed weakness in other precious metal markets, especially gold which, after holding around $380 for most of the day in London, dropped sharply to close $15.25 lower on balance at $373.875 an ounce—its lowest closing level since August 19 last year.

South African Golds were marked down at the outset and remained under light selling pressure throughout the day although the closure of the Johannesburg market for a public holiday proved a major factor in the low level of business done.

The Gold Mines index fell to its lowest point since November 29, dropping a further 12.5 to 558.0.

Among other South African stocks, Consolidated Murchison edged up 5 more to a 1983 high of *670p—a week's gain of 80*—following the recent strength of free market antimony prices and Press comment suggesting a possible *takeover* bid.

De Beers remained a weak market and fell a further 10 to 510p; the 1983 diamond sales figures are expected early in January.

London-domiciled Financials provided a notable weak spot in Consolidated Gold Fields; a poor market on Thursday, the shares dropped 16 more to 478p a week's decline of 40—reflecting the latest downturn in the bullion price and another poor performance by base-metals on the London Metal Exchange.

Australians eased across the board and failed to consolidate the strong gains registered earlier in the week following last weekend's flotation of the Australian dollar. Golds came under pressure from the weak bullion price and were highlighted by persistent selling of Gold Mines of Kalgoorlie, 20 off at 630p.

Business in Traded Options remained uninspiring with 1,079 contracts struck—700 calls and 379 puts. The week's daily average amounted to 2,033. Once again, mining puts made a good showing with De Beers December 750's rising 12 to 37p, and Consolidated Gold Fields January 500's closing 7 better at 37p. Land Securities January 280 puts rose 6 to 26p.

FINANCIAL TIMES STOCK INDICES

	Dec. 16	Dec. 15	Dec. 14	Dec. 13	Dec. 12	Dec. 9	year ago
Government Secs.	82.34	82.26	82.30	82.45	82.81	82.77	78.65
Fixed Interest	85.86	85.81	85.85	85.92	85.90	86.35	80.96
Industrial Ord.	760.3	752.8	751.1	750.8	753.7	757.1	587.2
Gold Mines	558.0	570.5	577.5	584.3	573.1	567.2	520.1
Ord. Div. Yield	4.63	4.65	4.65	4.66	4.64	4.55	5.04
Earnings, Yld.% (full)	9.45	9.51	9.53	9.54	9.50	9.46	10.84
P/E Ratio (net) (*)	12.99	12.83	12.81	12.79	12.85	12.98	11.07
Total bargains	22,411	19,828	10,982	20,855	21,050	22,620	16,237
Equity turnover £m.	—	265.88	169.00	209.13	256.14	334.24	136.4
Equity bargains	—	16,450	15,413	16,656	18,850	23,414	13,941
Shares traded (ml)	—	150.0	109.7	129.6	147.8	187.9	101.3

10 am 758.4. 11 am 759.0. Noon 758.5. 1 pm 758.1. 2 pm 759.3. 3 pm 759.6.

Basis 100 Govt. Secs. 15/1/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/1/58. *SE Activity 1974.* † *Corrections.*

Latest Index 01-246 8026.

Nil=12.14.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.70 (11/11)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	86.41 (7/12)	79.03 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	760.2 (8/12)	598.4 (12/1)	760.2 (8/12/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2)	444.6 (1/11)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Dec. 15	Dec. 14
—Daily		
Gilt Edged Bargains	157.2	105.8
Equities Bargains	106.5	89.9
Value	817.8	388.0
5-day Average		
Gilt-Edged Bargains	184.7	172.6
Equities Bargains	116.8	122.9
Value	502.2	919.0

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (85)

BRITISH FUNDS (1)
Exch. 10pc 1989
CORPORATION LOANS (1)
LCC 5½pc '2-84
AMERICANS (1)
I.U. Intnl.
BANKS (3)
Alexanders Discount, Hambros, Guinness Peat
BUILDINGS (6)
Baggeridge Brick, Ibstock Johnsen, Blockleys, London Brick, Francis Parker, Nottingham Brick
CHEMICALS (1)
Allied Colloids
STORES (5)
Foster Bros., Liberty Do., G.U.S., Woolworth, Do. A
ELECTRICALS (3)
Electronic Machine, N.E.C. Corp., Farnell Electronics
ENGINEERING (2)
Baker Perkins, Glynwed Nth.
FOODS (4)
Fisher (A.), Maynards, Hillards, Pyke
INDUSTRIALS (14)
Aero Needles, M.Y. Dart, BOC 9pcLn '01-06, Marley, Coin Inds., Moss (Robert), Cope Allman, Nash Inds., Francis Inds., Steetley, l'europe Tech. Srvs., Sterling Inds., Lamont, Wedgwood
INSURANCE (2)
Bryant (Derek), Hambro Life
LEISURE (3)
Anglia TV A, Medminster, Central TV N/V
MOTORS (1)
Kenning Motor
NEWSPAPERS (2)
Independent, News Int. Sp. Div.
PAPER (1)
Clondalkin
PROPERTY (3)
Beazer (C. H.), Sheraton Secs., Clarke Nickolls
SHIPPING (1)
Brit. & Commow.
TEXTILES (2)
Illingw'th Morris A, Lyles (S.)
TRUSTS (21)
Argo Inv., Jersey Gen., Baillie Gifford Japan, Lake View, Bankers, London & Lomond, Cardinal Dfd., Murray Northern, Danae Inc., New Australia, Drayton Japan, North Atlantic, Fleming Far Eastern, Rosedimond Cap., Fleming Japanese S., TR Australia, Foreign & Colonial, TR Ind. & General, G.T. Japan, TR Pacific Basin, Hambros
OILS (6)
Brunswick Oil, Weeks Australia, Claremont Pet., Weeks (Bermuda), Moonie Oil, Weeks (Australia)
PLANTATIONS (1)
Moran Tea
MINES (1)
Cons. Murchison

NEW LOWS (18)

BUILDINGS (3)
AMEC, Barnett & Hallams, Beechwood
CHEMICALS (1)
Amersham Intnl.
STORES (1)
Martin, Newsagent
ELECTRICALS (3)
Oceonics, Utd. Scientific, Oxford Instruments
ENGINEERING (1)
W'house & Roxon
FOODS (1)
Batley of Yorkshire
INDUSTRIALS (3)
Airship Inds., Wills (George), Pritchard Services
LEISURE (1)
Nimslo Intnl.
MOTORS (2)
Dunlop, Perry (H.)
TRUSTS (1)
Aitken Hume
MINES (1)
Samson Exploration

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Dec 19	Jan 6	Mar 22	Apr 2
Jan 9	Jan 20	Apr 2	Apr 16
Jan 23	Feb 3	April 26	May 8

For rate indications see end of Share Information Service

Call options were transacted in London and Liverpool, Cable and Wireless new, Bristol Oil and Minerals, Eglinton, Electronic Machine, Suter, Amalgamated Estates, Brunswick Oil, Cornell, Yelverton, Rotaprint, BOC and Ocean Transport and Trading. Puts were done in Atlantic Resources, London and Liverpool, and Yelverton. No doubles were reported.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri Dec 16 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thur Dec 15 Index No.	Wed Dec 14 Index No.	Tues Dec 13 Index No.	Mon Dec 12 Index No.
1	CAPITAL GOODS (203)	461.68	+0.2	9.21	3.87	14.02	460.67	457.92	460.28	458.97
2	Building Materials (24)	447.48	+1.0	10.96	4.68	11.36	442.94	443.09	444.90	446.79
3	Contracting, Construction (30)	662.57	−0.4	14.23	5.40	8.76	665.42	666.60	671.33	669.90
4	Electricals (38)	1637.49	+0.1	8.38	2.40	15.72	1635.46	1617.86	1634.00	1611.70
5	Engineering Contractors (10)	437.32	+0.8	13.28	6.40	9.61	433.74	433.85	434.61	437.75
6	Mechanical Engineering (59)	208.20	−0.3	11.49	5.43	10.72	208.73	206.74	206.47	207.53
8	Metals and Metal Forming (9)	172.85	+1.6	10.80	6.78	11.26	170.11	169.22	168.53	170.35
9	Motors (17)	118.23	−0.1	1.49	4.59	—	118.31	118.31	117.68	118.87
10	Other Industrial Materials (16)	603.67	—	5.19	3.72	25.53	603.84	603.26	604.53	608.67
21	CONSUMER GROUP (197)	453.04	−0.1	10.54	4.42	11.59	453.50	454.22	454.68	456.08
22	Brewers and Distillers (23)	439.24	−0.4	13.37	5.34	9.32	441.11	443.48	447.54	453.97
25	Food Manufacturing (22)	357.60	−0.3	12.99	5.71	9.00	358.81	360.35	359.72	361.02
26	Food Retailing (13)	1041.31	—	7.75	2.71	16.54	1041.77	1049.29	1054.41	1052.15
27	Health and Household Products (9)	721.67	−0.1	6.54	3.05	17.98	722.39	724.27	718.71	726.11
29	Leisure (25)	599.78	—	8.45	4.55	15.28	599.85	597.51	596.75	594.66
32	Newspapers, Publishing (15)	1029.58	−0.6	8.44	4.64	14.23	1036.07	1013.50	1009.25	1005.96
33	Packaging and Paper (14)	213.49	+0.6	11.18	4.74	11.12	212.29	212.73	211.77	210.65
34	Stores (47)	426.03	+0.1	7.95	3.63	16.94	425.71	425.46	428.06	427.30
35	Textiles (20)	249.10	+0.6	12.09	4.76	9.58	247.69	245.02	245.72	248.45
36	Tobaccos (3)	459.80	−0.3	21.67	6.96	5.17	460.97	462.96	458.61	457.06
39	Other Consumer (8)	448.13	+0.3	10.05	5.61	—	446.91	446.18	446.18	444.16
41	OTHER GROUPS (84)	420.31	+0.1	7.93	4.18	15.92	420.07	418.19	416.54	416.46
42	Chemicals (16)	630.52	+0.2	7.02	4.05	18.89	628.98	627.59	620.73	620.26
44	Office Equipment (6)	113.33	−0.1	8.49	4.54	14.68	113.42	109.36	110.39	110.82
45	Shipping and Transport (14)	797.97	—	7.96	5.08	16.98	798.19	787.70	786.75	788.57
46	Miscellaneous (48)	528.26	−0.1	8.79	4.06	13.66	528.79	528.05	528.64	528.31
49	INDUSTRIAL GROUP (484)	456.06	—	9.69	4.20	12.88	455.93	455.10	455.79	456.08
51	Oils (16)	917.12	−0.5	12.19	6.47	9.96	921.60	918.81	929.45	923.90
59	500 SHARE INDEX	494.59	−0.1	10.08	4.56	12.31	494.86	493.86	494.55	495.20
61	FINANCIAL GROUP (123)	364.32	−1.1	—	5.31	—	368.26	369.10	368.26	367.54
62	Banks (6)	366.93	−3.0	23.58	6.98	4.60	378.25	380.11	375.97	383.11
63	Discount Houses (8)	342.03	+0.2	—	7.98	—	341.44	342.44	339.87	339.41
65	Insurance (Life) (9)	506.56	+0.2	—	4.44	—	505.60	505.95	510.33	500.47
66	Insurance (Composite) (10)	252.50	−0.4	—	6.08	—	253.59	254.96	255.13	252.32
67	Insurance Brokers (7)	645.41	−1.3	10.60	4.56	12.91	654.01	656.61	647.10	641.07
68	Merchant Banks (12)	229.31	−0.7	—	4.02	—	230.90	227.05	223.18	222.84
69	Property (53)	519.56	−0.9	3.76	3.74	23.12	524.39	528.61	529.28	527.09
70	Other Financial (18)	259.29	−0.3	10.62	5.24	11.34	260.04	256.82	257.23	258.22
71	Investment Trusts (108)	470.45	+0.1	—	3.80	—	469.78	469.36	468.71	470.01
81	Mining Finance (4)	271.32	−1.3	9.72	5.38	12.63	274.95	278.35	280.90	280.95
91	Overseas Traders (15)	495.88	−0.4	7.72	7.55	18.46	497.82	494.85	489.34	488.19
99	ALL-SHARE INDEX (750)	462.48	−0.3	—	4.69	—	463.65	463.21	463.50	463.85

FIXED INTEREST

AVERAGE GROSS REDEMPTION YIELDS

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

NAME CHANGE: KCA International is now Bristol Oil & Minerals (51)

LEADERS AND LAGGARDS

Percentage changes since December 31, 1982, based on Thursday, December 15, 1983

Other Industrial Materials	+ 66.43	Property	+ 26.89
Newspapers, Publishing	+ 65.28	All-Share Index	+ 21.30
Chemicals	+ 62.46	Food Retailing	+ 21.20
Shipping and Transport	+ 53.21	Discount Houses	+ 17.32
Motors	+ 52.84	500 Share Index	+ 17.31
Merchant Banks	+ 51.70	Mining Finance	+ 15.13
Packaging and Paper	+ 50.34	Metals and Metal Forming	+ 15.21
Insurance (Composite)	+ 45.12	Industrial Group	+ 14.94
Textiles	+ 44.48	Consumer Group	+ 12.80
Other Groups	+ 44.30	Stores	+ 12.27
Insurance (Life)	+ 41.63	Food Manufacturing	+ 11.05
Office Equipment	+ 40.11	Building Materials	+ 10.09
Financial Group	+ 37.44	Health and H'sehold Products	+ 8.96
Banks	+ 36.60	Mechanical Engineering	+ 7.85
Other Consumer	+ 33.72	Capital Goods	+ 7.27
Insurance Brokers	+ 33.48	Gold Mines Index	+ 3.77
Oils	+ 31.50	Tobaccos	+ 3.64
Investment Trusts	+ 31.13	Engineering Contractors	+ 0.59
Leisure	+ 29.24	Brewers and Distillers	− 2.01
Overseas Traders	+ 27.78	Electricals	− 3.69
		Contracting, Construction	− 8.02

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	75	2	24	111	227	171
Corpns. Dom. and Foreign Bonds	15	3	57	42	69	274
Industrials	248	252	902	1,384	1,232	4,394
Financial and Props.	52	48	425	437	396	1,792
Oils	15	34	69	124	143	323
Plantations	4	2	14	26	11	63
Mines	14	75	79	185	270	385
Others	78	67	37	310	300	290
Totals	501	485	1,607	2,619	2,648	7,692

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Bio-Isolates	88	+ 6	ICI	648	− 2
Bowater	243	+ 4	Land Securities	256	− 8
Eagle Star	720	—	Lon. & Liverpool Trust	28	+ 3
GEC	178	+ 2	London Brick	135	+31
Hanson Trust	258	− 2	Midland Bank	378	−55
IMI	64½	+ 2½	Tate and Lyle	363	− 7

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
Bio-Isolates	20	80	+ 5	VG Inst New	13	134	—
BOC	17	287	+10	Vntna Viyella	13	169	+10
Fleet Hldgs	16	132	+ 7	Hill Samuel	12	347	+12
Distillers	15	220	− 0	Beecham	11	318	+ 1
Moray Fth Ms	15	215	—	Cable Wire pp	11	103	+ 3
Albion	13	20	+ 5½	Pict Petroleum	11	98	−12
Lon & Liv Tst	13	25	− 5	Rank Org	11	189	+11

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ended Thursday

Stock	No. of changes	Last Thurs. close	Change on week	Stock	No. of changes	Last Thurs. close	Change on week
Eagle Star	117	720	+11	Bio-Isolates	68	80	−27
GEC	96	176	−19	Boots	68	182	+ 3
Hanson Trust	76	260xd	− 1	Grand Met	68	342	− 3
Glaxo	73	720	−25	ICI	68	650	− 6
Beecham	71	316xd	− 2½	Bula Res	57	32	− 3
BOC	69	287	+27	Royal Bk Scot	55	176xd	+ 5½
Lon & Liv Tst	69	25	−10	BP	64	396	− 2

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

هكذا من الأصل

OFFSHORE AND OVERSEAS

WestAvon Secs (Guernsey) Ltd
PO Box 214, St Peter Port, Guernsey 0481 27768

Gilt & Option Fd	£1.15	1.25	.....	2.50
US $ Option	$1.02	1.07	.....	—

World Wide Growth Management◊
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$12.43	-0.06	—

Inv. Adv.: M. & G. Inv. Mngt. Ltd, London.

Wren Commodity Management Ltd.
10, St. George's St., Douglas IoM 0624 25015

Wren Com. Fund	21.4	22.5	.....	—
Chinese Fund	65.2	67.9	.....	—
Precious Metal Fund	119.4	124.3	.....	—
Vanguard Cmdy. Fd.	33.6	34.5	.....	—
Financial Futures Fd.	60.1	62.5	.....	—
Wren Intl. Fnd.*	$0.431	0.449	.....	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. § Guernsey gross. # Suspended. ◊ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ◊ Yield column shows annualised rate of NAV increase.

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Fidelity INTERNATIONAL

BRITISH FUNDS

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
"Shorts" (Lives up to Five Years)						
101¼	99½	Exch. 13¼pc 1984	100	......	13.22	9.10
104⅜	100	Exchequer 14pc 1984	101⅞	+1/32	13.74	9.36
97	92½	Exch. 3pc 1984	97xd	+1/32	3.09	9.12
102	100	Treasury 12pc 1984	101¾	......	11.79	9.47
107	104	Treasury 15pc 1985	105	......	14.28	10.21
107	101	Exch. 12pc Cnv. '85	102	+1/16	11.74	10.06
94	88⅝	Treasury 3pc 1985	93⅝	......	3.20	7.82
102½	99⅝	Treasury 11½pc 1985	101xd	......	11.28	10.18
102	95	Treas 8¾pcCnv '85	98	+1/16	8.91	9.88
103¾	100⅛	Exch. 12¼pc 1985	102	+1/16	11.90	10.49
102⅞	99	Exch. 11¾pc '86	102	+1/16	11.52	10.64
102¼	97¼	Treas 10pc Cnv 1986	100	+¼	9.96	9.75
88	85⅝	Treasury 3pc 1986	88⅝	+1/16	3.39	8.29
101	97	Exch. 10½pc Cv '86	100⅝	+1/16	10.46	10.32
103	100	Treasury 12pc '86	102⅝	+1/16	11.72	10.87
97	94⅜	Treasury 8¼pc '84-86‡‡	97xd	+1/16	8.73	9.73
114	103¾	Treas. 12¾pc '86 Cnv.	108½xd	......	11.29	8.52
109	105	Exch. 14pc 1986	107¼	+⅛	13.07	10.94
84⅞	34½	Exch 2½pc 1986 ●	84⅛	–1/16	2.95	8.49
107¼	103⅝	Exch. 13¼pc 1987	105¾xd	+⅛	12.53	11.02
100	95⅞	Treas 10¼pc Cnv '87	98	+1/16	10.40	10.78
84	80¼	Exchequer 2½pc 1987	83¼	+1/16	3.00	8.62
100	95⅞	Exch. 10½pc 1987	98	+⅛	10.63	10.91
93¼	88½	Funding 6½pc '85-87‡‡	91½	+1/16	7.10	9.50
98	96	Treas 10pc 1987	97	+⅛	10.26	10.88
86	80¼	Treasury 3pc 1987	83xd	......	3.60	8.57
104⅝	97⅞	Treas 12pc 1987	102⅞	+⅛	11.60	11.04
93¼	89⅝	Treasury 7¾pc '85-88‡‡	92	–1/16	8.37	9.58
101½	95½	Exch 10½pc '88	98	+⅛	10.62	10.24
98⅝	95	Treas 9¾pc Conv '88	96	+1/16	10.09	10.72
81½	75¾	Transport 3pc '78-88	80½xd	+⅛	3.73	8.24
96¼	90¼	Treas. 9½pc '88	94	+⅛	10.03	10.92
Five to Fifteen Years						
108½	95¾	Treasury 11½pc 1989	105	+⅛	11.35	11.13
103	94¼	Treas 10½pc 1989	98	+⅛	10.72	11.01
60	59⅞	Exch 10pc 1989 (£60pd)	59⅞	–⅛	10.40	10.98
83¼	76	Treasury 5pc '86-89	82¼	+⅛	6.15	9.19
114	103	Treasury 13pc 1990‡‡	107⅛xd	+⅛	12.05	11.14
109⅞	100⅞	Exch. 12½pc 1990	108¼	+⅛	11.86	11.27
93¼	86¼	Treasury 8¼pc '87-90‡‡	90	+⅛	9.18	10.43
108¼	97	Treasury 11¾pc 1991	101⅜xd	+¼	11.46	11.27
83	74⅜	Funding 5¾pc '87-91‡‡	81¼	+⅛	7.18	9.60
103	95⅞	Exch. 11pc 1991	101⅛	+⅛	11.06	11.09
114⅜	102	Treasury 12¾pc '92‡‡	107xd	+⅛	11.79	11.19
100	88⅞	Treasury 10pc 1992	98⅝	......	10.49	10.86
110¼	98½	Exch. 12¼pc '92	108⅝	......	11.67	11.31
116	106½	Exchequer 13½pc '92	114⅞	+½	12.11	11.37
114	101¼	Treasury 12½pc '93‡‡	106⅝xd	+½	11.63	11.21
79⅜	71	Funding 6pc 1993‡‡	77⅝	+⅛	7.89	9.87
120¾	110½	Treasury 13¾pc 1993‡‡	115⅜	+¼	12.02	11.29
125⅜	112½	Treasury 14½pc '94‡‡	124¼	+¼	12.09	11.17
117⅝	109⅝	Exchequer 13½pc 1994	113⅛	+⅛	11.93	13.30
113⅞	100½	Exch. 12½pc 1994	111¼	+⅛	11.61	11.23
94⅝	86⅛	Treasury 9pc '94‡‡	93¼	+⅛	9.95	10.48
118⅛	99	Treasury 12pc '95	[illegible]	+⅛	11.45	11.22
65¼	61½	Gas 3pc '90/95	[illegible]	[illegible]	4.75	8.00
101¼	88¼	Exch. 10¼pc 1995	[illegible]	[illegible]	10.71	10.93
115⅝	106⅛	Treasury 12¾pc '95‡‡	[illegible]	[illegible]	11.42	11.05
126⅛	110	Treas. 14pc '96	116⅞xd	+⅛	13.35	11.22
93⅞	85¼	Treasury 9pc '92-96‡‡	92½	+⅛	9.53	10.44
133⅛	121¾	Treasury 15¼pc '96‡‡	128⅝	+¼	12.34	11.20
121⅛	109¼	Exchequer 13¼pc '96‡‡	116⅝	+¼	11.53	11.02
70	58	Redemption 3pc 1986-96	69½	+⅛	4.35	6.65
123⅝	107	Treasury 13¼pc '97‡‡	114½	+⅛	11.45	10.97
[illegible]						

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

Prospective real redemption rate on projected inflation of (1) 10% and (2) 7%

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Building Societies

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS, H.P. & LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

هكذا من الأصل

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

INSURANCE

[illegible]

LEISURE

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—continued

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
		Australians					
23½	13½	♥ACM 20c	18½	.....	—	—	—
52	32	Allstate Expln NL	36	.....	—	—	—
40	9	♥Australis Mng. NL	26	.....	—	—	—
25	11	Balmoral Resources	16	.....	—	—	—
60	34	♥Black Hill Mins.	35	.....	—	—	—
87	51	♥Bond Corp.	78	+1	Q10c	♦	8.2
183	116	♥Bougainville 1 Kina	160	−5	Q3.21	1.2	1.2
374	204	♥CRA 50c	366	−4	t03c	—	0.5
145	60	♥Carr Boyd 20c	80	−2	—	—	—
44	25	♥Central Kalgoorlie	38	.....	—	—	—
41	10	♥Central Pacific	22	+1	—	—	—
9	2¼	♥Cons Gold Mng Areas	3½	.....	—	—	—
17	5	♥Coppers Res N.L.	9½	.....	—	—	—
255	183	♥Crusader Oil	204	.....	—	—	—
20	8	♥Cultus Pac NL	16	.....	—	—	—
19	7	♥Eagle Corp 10c	10½	.....	—	—	—
215	96	♥Emperor Mines	205	.....	—	—	—
14	8	♥Endeavour 20c	11½	.....	—	—	—
58	17	♥Enterprise Gld Mines	28	.....	—	—	—
810	500	♥GM Kalgoorlie 25c	630	−20	hQ10c	♦	1.0
24	6	Grt. Eastern Mines	19½	.....	—	—	—
17	9	♥Great Victoria Gold	16	.....	—	—	—
32	15½	♥Haoma NW	10	.....	—	—	—
92	28	♥Hill Minerals N.L.	32	−2	—	—	—
41	11	♥Intnl Mining	16	.....	—	—	—
20	5	♥Ivanhoe Gld. N.L.	9½	.....	—	—	—
100	25	♥Jingellic Minerals	41	.....	—	—	—
42	15½	♥Kalbara Min 20c	15½	.....	—	—	—
25	9	♥Keywest Invs.	24	.....	—	—	—
134	54	♥Kitchener NL 25c	72	−2	—	—	—
180	72	♥Meekatharra 25c	74	.....	—	—	—
58	24	♥Metals Ex 50c	42	.....	—	—	—
52	23	♥Metramar Mns 20c	38	.....	—	—	—
279	217	♥MIM Hldgs 50c	238	−2	Q5c	1.5	1.3
15	5	♥Mincorp 20c	11¼	−½	—	—	—
8	3	♥Morfields Expl 25c	4	.....	—	—	—
46	23	♥Newmetal 20c	31	.....	—	—	—
*213	128	♥North B Hill 50c	203	+5	Q8c	♦	2.4
90	38	Nth. Kalgurli	65	−2	—	—	—
86	58	♥Oakbridge 50c	70	−2	Q7c	1.5	6.3
57	23	Otter Expln NL	32½	−1	—	—	—
80	46	♥Pacific Copper	80	.....	—	—	—
150	64	♥Pancont'l 25c	76	−6	—	—	—
9½	4	Pan Pacific Pets NL	7½	.....	—	—	—
75	55	Paringa Mng & Expln 5p	70	−2	—	—	—
456	300	♥Peko-Wallsend 50c	366	−6	GQ5c	♦	0.9
14	6	♥Pelsart Res NL	11	−¼	—	—	—
298	172	♥Renison 50c	232	−4	Q10c	0.1	2.5
270	135	♥Do Deid	210	.....	—	—	—
83	20	Samantha Explor NL	37	.....	—	—	—
52	26	Samson Explor NL	26	−1	—	—	—
74	52	♥Seltrust 50c	54	.....	—	—	—
58	24	♥Sons of Gwalia NL	37	−2	—	—	—
27	11	♥Sthn. Goldfields	15	.....	—	—	—
19	7	♥Southern Pacific	10½	.....	—	—	—
14	6	♥Southern Ventures 25c	8½	.....	♦	—	—
50	17	♥Swan Res 20c	22	.....	—	—	—
110	60	♥Tuxax Res N.L.	90	.....	—	—	—
58	32	♥United Goldfields	32	.....	—	—	—
24	5	♥West Coast 25c	8½	.....	—	—	—
38	12	♥Western Cons. 50c	12	.....	—	—	—
275	168	Westn. Mining 50c	265	+3	Q2c	7.6	0.5
200	53	♥Whim Creek 20c	280	.....	—	—	—
47	7	Windsor Rrs. N.L.	10	.....	—	—	—
30	8	♥York Resources	19	−1	—	—	—
		Tins					
245	175	Ayer Hitam $M1	205	+5	vQ85c	1.0	11.8
150	83	Geevor	138xd	.....	Z4.0	—	4.1
18	10	Gold & Base 12½p	10½	.....	—	—	—
435	290	Gopeng Cons.	395	.....	420.0	1.4	7.2
600	525	Hongkong	575	.....	21.0	♦	5.2
21	15	Jantar 12½p	16	.....	1.5	0.2	13.4
270	100	Kamunting $M0.50	200	−5	tvQ7½c	0.8	3.9
96	56	Malaysia Mng. 10c	65	.....	tvQ11c	0.9	‡
57	28	♥Pahang	43	.....	8—	—	—
500	325	Pengkalen 10p	500	.....	1.0	—	0.3
330	225	Petaling $M1	300	.....	v0130c	♦	12.3
250	185	Sungei Besi $M1	235	.....	tvQ185c	1.1	‡
55	40	♥Supreme Corp M$1	50	.....	whQ3½c	♦	2.2
150	93	Tanjong 15p	150	.....	93.5	—	3.3
145	60	♥Tongkah H. Tin $M1	127	.....	vQ5c	1.6	1.2
300	190	Tronoh $M1	250	.....	vQ90c	1.1	10.2
		Miscellaneous					
170	22	Admiral Mines	22	.....	—	—	—
90	34	♥Anglo-Dominion	70	.....	—	—	—
93	54	♥Anglo Utd. Dev.	57	.....	—	—	—
400	185	Centennial Minerals	190	+5	—	—	—
172	60	♥Colby Res Corp.	115	.....	—	—	—
670	315	Cons. Murch. 10c	670	+5	t060c	1.9	‡
240	170	Hampton Areas 10p	205	.....	3.75	2.1	2.5
215	103	♥Highwood Res	170	.....	—	—	—
£24½	£17½	Homestake Mining $1	£20½	−½	Q20c	—	0.7
495	275	Northgate C$1	365	−5	—	—	—
672	437	R.T.Z.	577	−3	17.0	2.9	4.2
£147½	£108	Do. [illegible] 95-2000	£124	.....	Q9½%	32.5	7.6
190	13	♥Sabina Inds C$1	70	+5	—	—	—
750	312	♥Tara Expln $1	745	−5	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Principal and interest tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ♠ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(5).
- ‡ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- ‡ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Issue price. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. M Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. N Dividend and yield based on prospectus or other official estimates for 1983. R Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv. 20p	64	.....	Fin. 13% 97/02	£95⅝	.....
Bdg'wtr. Est. 50p	310	.....	Alliance Gas	85	.....
Craig & Rose £1	950xd	−50	Arnott	208	+3
Finlay Pkg. 5p	41	.....	Carroll (P.J.)	101	.....
Higsons Brew.	87	.....	Concrete Prods.	87	+2
Holt (Jos) 25p	900	.....	Hall (R. & H.)	55	.....
I.O.M. Stm. £1	130	.....	Heiton (Hldgs.)	13	.....
			Irish Ropes	35	.....
IRISH			Jacob	68	+5
Exch. 12% 1985	£99	.....	T.M.G.	85	.....
Nat 9¾% 84/89	£88¾	.....	Unidare	80	.....

OPTIONS

3-month Call Rates

Industrials		House of Fraser	22	Vickers	12
Allied Lyons	13	I.C.I.	45	Woolworth Hld.	36
BOC Grp.	20	"Imps"	12		
B.S.R.	18	I.C.L.	6	**Property**	
Babcock	15	Ladbroke	21	Bristol Oil & Min	—
Barclays Bank	45	Legal & Gen.	45	Brit. Land	9
Beecham	28	Lex Service	35	Cap. Counties	15
Blue Circle	40	Lloyds Bank	50	Land Sec.	34
Boots	17	"Lots"	5	MEPC	24
Bowaters	22	London Brick	10	Peachey	17
Brit. Aerospace	19	Lucas Inds.	16	Samuel Props.	12
B.A.T.	14	"Mams"	12	Sterling Guar.	4
Brown (J.)	5	Mrks. & Spncr	20		
Burton Ord.	38	Midland Bank	42	**Oils**	
Cadburys	11	N.E.I.	18	Brit. Petroleum	35
Courtaulds	11	Nat. West. Bank	55	Burmah Oil	16
Debenhams	14	P & O Dfd.	22	Charterhall	8
Distillers	20	Plessey	29	Premier	5
Dunlop	5	Racal Elect.	10	Shell	50
Eagle Star	60	R.H.M.	7	Tricentrol	20
F.N.F.C.	6½	Rank Org. Ord.	19	Ultramar	60
Gen. Accident	42	Reed Intnl.	34		
Gen. Electric	17	Sears	8	**Mines**	
Glaxo	75	T.I.	14	Charter Cons.	22
Grand Met.	30	Tesco	16	Cons. Gold	50
G.U.S. 'A'	55	Thorn EMI	55	Lonrho	8
Guardian	45	Trusthouse	16	Rio T. Zinc	58
G.K.N.	16	Turner & Newall	N		
Hawker Sidd	32	Unilever	75		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 22

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security

FINANCIAL TIMES
Saturday December 17 1983

MAN IN THE NEWS

A week in the hot seat

BY JOHN LLOYD

"WELL," said Len Murray, with a smile that would have frozen mercury, "There were no votes of thanks. No prezzies."

That one, sarcastic flash to the Press after Wednesday's General Council meeting briefly illuminated the bitterness in the TUC general secretary's soul this past week. Never a job for the faint hearted, for a brief period Murray has sat in the hottest seat in town.

He ends it with the plaudits of the Prime Minister ringing in his ears like a cracked bell: from the Labour benches, an embarrassed silence: from his supporters, a certain amount of head-shaking over his brinkmanship; from the TUC left,

Len Murray: No "prezzies"

a howl of outraged idealism; from the National Graphical Association, bilious condemnation.

He has always known that the strategy which he championed publicly at Congress in September would leave blood on the floor, and that some of it would be his. That strategy was to move away from the adopted role of a "Government in exile" on the look-out for an industrial coup, to one where initiatives were tailored to change policies at the margin and win back support for trade unionism and Labour.

That was accepted by Congress. Yet the nature of the TUC, and its emphasis on achieving rickety harmony within a movement spanning Right-wing social democracy and hard-line Communism (and that, as the old joke goes, is only the moderate camp) meant that the lines were fudged. The eight decisions of the 1982 Wembley Conference, passed at the height of the "Government in exile" period, remained (and remain) extant, a standing encouragement to unions battling with the law to come to the TUC for assistance.

This dichotomy, naturally, had to come home to roost. The divisions endlessly postponed had to be expressed round an issue. When, early on Tuesday morning, Murray repudiated the decision of the employment policy committee to support the NGA in front of the TV cameras, he put himself clearly on one side of the issue.

Could he have done it differently? Could he, as his critical supporters say, have made less of a public repudiation yet still safeguarded the position of the TUC and ensured that any support for the NGA was lawful? His case is that he could not: that, with a 24-hour national print strike pending, only unequivocal statements were good enough to ward off the courts. The alternative view—that no court would have moved against the TUC on the decision of a subordinate committee of the Council — has both the merits and drawbacks of being untested.

Yet the non-legalistic arguments were Murray's strongest. He judged that the dispute was already lost: that, whatever the NGA intended to do, action was futile: and that speeches of support would probably remain just words. He could not *say all that, but it is a fair* bet it underlay his deeds.

The consequences are being spoken of as grave. The NGA and left-wing unions are talking of a new grouping within the TUC of those which would support such causes as the NGA's. The spectre of a split in TUC ranks rises again.

How serious that is must be open to question. But the bruised egos and frustrated hopes will dog Murray as he pursues his painful negotiations with Government on union legislation and on future employment. There will be no "prezzies" down any of these roads. Murray does not expect or need them. The general secretary now appears a man more comfortable with himself than ever before: and if his private, non-conformist conscience continues to tell him he is acting for the best, that will probably see him through.

Bid rejection boosts London Brick

BY RAY MAUGHAN

SHARES in London Brick, Britain's largest brick manufacturer, soared 31p to 135p yesterday as the group rejected Thursday night's 120p per share cash offer from Hanson Trust, the broadly based industrial holding company.

The offer is worth £170m but the stock market valuation of London Brick was lifted by almost £44m to £191.5m as dealers began to look for a counter bid from another building materials group.

After a board meeting yesterday, London Brick strongly resisted the bid and turned down an invitation from Lord Hanson, the chairman of Hanson Trust, to meet and discuss terms.

Mr Jeremy Rowe, London Brick's chairman, said the offer was wholly inadequate, completely unacceptable and not in the interests of London Brick stockholders, employees and customers.

He urged another investigation of the UK brick industry by the Monopolies Commission. The commission completed a report on the structure of the market in August when it investigated the proposed merger between London Brick and Ibstock Johnsen, a leading manufacturer of non-fletton facing bricks—a high quality product often specified by architects for prestige building products.

As a monopoly producer of fletton bricks—the standard housing brick—London Brick has been subject of periodic Monopolies Commission references and, when it was in existence, by the Prices and Incomes Board.

However, the group now believes that a merger with Hanson would warrant a fresh reference in respect of the specialist brick market. Hanson claims a near 20 per cent share of non-fletton facing brick deliveries and Mr Rowe revealed that London Brick has been able to capture between 7 and 9 per cent of that market in the last year.

London Brick, which is now advised by Lazard Brothers, is a constituent of the FT Industrial Ordinary Index. Its share price rise helped lift this barometer of 30 leading shares by 6.5 to 759.3. This compares with the all-time peak of 760.2 recorded last week (December 8).

Background, Page 3

Philips move on Grundig stake

BY WALTER ELLIS IN AMSTERDAM

PHILIPS, the Dutch electrical group, was poised last night to increase its 24.5 per cent stake in the West German consumer electronics group Grundig to more than 50 per cent. Talks between the two companies, which are already closely linked, were said by Philips to have reached an advanced stage.

Philips makes its V2000 home video recorder range in conjunction with Grundig, and the companies recently concluded a deal whereby they will jointly manufacture VHS-format video recorders under licence from Japan for sale outside Europe.

There has been much speculation about the possible demise of the V2000 system, which is incompatible with the VHS system which is the world market leader. But that has been vigorously denied by Philips. It seems clear that if a European version of the world-beating Japanese format is to be marketed successfully, it must be done on a co-operative basis.

Dr Wisse Dekker, chairman of Philips, has long sought to conclude a takeover of Grundig. He has hitherto been blocked by the reluctance of Dr Max Grundig, founder and chairman of Grundig, to see his family concern pass into foreign hands, as well as by the unwillingness of the West German Cartel Office to endorse what it saw as a growing Philips monopoly of the European electronics market.

Philips' present 24.5 per cent holding in Grundig—acquired several years ago and since used to prevent an attempted takeover of Grundig by Thomson Brandt of France — would become a blocking minority under German law if it rose above 25 per cent, and Cartel Office approval for such a step would be needed.

But it is understood that Philips will seek a majority interest and thus help clear the way for rationalisation of the two companies' general electronics interests, particularly video production.

John Davies in Frankfurt writes: Grundig indicated yesterday that the final steps in any share sale to Philips still had to be taken, and that so far no documents had been put before the cartel office.

However, Professor Wolfgang Kartte, the office's president, told journalists he expected discussions with Philips and Grundig early in 1984.

Officials at the time the Thomson Brandt bid was rejected felt a French, German, Dutch link-up would reduce competition, though Thomson was allowed a 75 per cent stake in Telefunken.

Philippines seeks more time to pay

By Chris Sherwell in Manila

THE PHILIPPINES plans to seek an extension of its three months debt repayment moratorium before it runs out on January 16 because of delays in settling details of a $3.95bn (£2.6bn) rescue package, Mr Cesar Virata, Prime Minister and Finance Minister, said yesterday.

He also admitted that the moratorium on the $25bn debt, contrary to the original promises of the Manila Government, had expanded to cover interest as well as repayments of principal except on loans from multilateral agencies such as the World Bank. Any extension will do the same.

This means the country has probably come as close as it could to a technical default without any creditor actually calling one.

The delays over the $3.95bn package also raise the spectre of factory stoppages and lay-offs of workers because of the continuing halt on all but essential imports. It was originally hoped the deal could be concluded by the middle of this month.

The delays have been caused by two factors:

● A need for a clear picture both of the size and structure of Philippines debt and of the country's capacity to meet targets under an International Monetary Fund-imposed austerity programme. The Philippines' debt soared from $18bn to $25bn after Mr Benigno Aquino, the opposition leader was murdered in August. An IMF team is in Manila checking on the effect of policies to control credit and limit the size of the budget deficit.

● A desire on the part of the Philippines and its international creditors for a single rescue package which prevents negotiations having suddenly to be resumed to avoid an imminent or unexpected default.

The Philippines Government expects to resume talks with the 12-bank advisory committee for the 350 commercial bank creditors on January 4, at the same time as the IMF board should receive details of the terms for release of a SDR 615m (£450m) standby credit.

At this point, the U.S. would furnish essential bridging finance for the Philippines.

Peter Montagnon adds: Mr Virata's comments came as little surprise to international bankers yesterday. But they regard it as important that the Filipino authorities have repeatedly made clear their wish to co-operate with international bank creditors.

This should lead to constructive discussion on ways of reducing the arrears.

Letter of intent for Seddon Atkinson sale

BY JOHN GRIFFITHS

INTERNATIONAL Harvester, the troubled U.S. truck and agricultural equipment maker, signed a letter of intent to sell Seddon Atkinson, its UK truck-making subsidiary, to Enasa, the Spanish state-owned truck-maker.

Mr Donald Lennox, IH chairman, said in Chicago it was expected agreement in principle on the sale would be reached in about a month. It has been known for about two months that Enasa is anxious to acquire Seddon.

A reason for delay is that INI, the Spanish state holding company, has yet to formally approve the deal. This is expected by the end of the year.

Mr Lennox's announcement came quickly after disclosure on Thursday night of further sharp falls in International Harvester's losses. They were down from $294m (£207m) a year before to $84m in the final three months of its financial year.

At the same time IH's 230 creditor banks formally approved a substantial restructuring of $350bn of the group's debt.

Mr Lennox put no figure on the prospective deal with Enasa.

Several months ago IH said Seddon's net value had fallen to about £4.5m after three consecutive years of losses.

IH has been anxious to dispose of Seddon for more than a year, following its decision to abandon plans to become a pan-European truck maker and to concentrate on the North American truck market instead.

It had previously withdrawn from a majority shareholding and management control of Enasa itself and has sold its shareholding in DAF, the Dutch truck maker.

Background, Page 3

Continued from Page 1

Smith

national dealers, which are to be formed as subsidiaries of Stock Exchange member firms.

In the proposed international dealing company it is intended that Smith Bros. own 51 per cent and Rothschilds 49 per cent.

The new company will be capitalised at £10m, and the capital will be contributed by Rothschild and Smith Bros. in proportion to their shareholdings.

Smith Bros. intends to transact its dealing in gold shares, Hong Kong and Australian securities and its currency trading through the new company.

That company will include the business of Smith Bros. Securities Inc., a subsidiary of Smith Bros. with operations in New York and Los Angeles.

Both sides plan to forge a close relationship with the new company and Rothschild Inc's trading business in New York.

Mitchell Bill

Continued from Page 1

would work hard for a compromise with Mr Mitchell. Under the rules of private members' Bills, however, he will have a majority of supporters on the committee, giving him an effective veto over amendments.

Privately it was being suggested that if no compromise is reached, the Government will have little alternative but to kill the Bill by a whipped vote on the third reading, in the hope that a Law Commission inquiry will produce a workable solution.

The fiasco in the division lobbies reflects the split in the Government between the legal faction led by the Lord Chancellor and free enterprise populists such as Mr Norman Tebbit, the Industry Secretary, who see little difference between a monopoly in the legal profession and a closed shop in industry.

The so-called payroll vote of junior ministers, usually mobilised to defeat Bills the Government dislikes, failed to materialise.

Mr Leon Brittan, the Home Secretary, and Sir Patrick, both barristers, were the only senior ministers to vote. They were joined by 16 barristers and 13 solicitors, all Conservatives.

The total of 76 against consisted of 75 Conservatives and one Liberal, Mr Paddy Ashdown of Yeovil.

Six barristers and three solicitors voted for the Bill, including four Conservatives. In all, 25 Conservative MPs rejected the Government's advice.

Mr Mitchell celebrated with a champagne lunch after the vote. He said he would co-operate with government amendments to tighten the drafting of his proposals but would refuse to drop the suggestion for licensed conveyancers.

Mr Tony Holland, who organised the Law Society campaign against the Bill, said he was disappointed.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
AIM	75	+ 7
Baggeridge Brick	140	+ 14
Bio-Isolates	88	+ 8
Channel Tunnel	113	+ 27
FII	179	+ 10
Ibstock Johnsen	172	+ 7
Johnson Matthey	247	+ 7
Kraft Productions	200*	+ 45
Kynoch (G. & G.)	53	+ 5
Lon. & Liverpool Tst.	28	+ 3
London Brick	135	+ 31
Maynards	310	+ 112
Moray Firth Mltngs.	240	+ 25
Rosedimond Inv Cap	206	+ 21
Wedgwood	122	+ 4
Weeks Pet. (Austrl.)	365	+ 20

FALLS		
Dunlop	39	− 3
Francis Parker	49	− 3
Highgate Optical	80	− 7
Hill Samuel	330	− 17
Land Securities	256	− 6
Midland Bank	378	− 5
Norcros	149	− 5
Pritchard Services	109	− 6
Tate & Lyle	363	− 7
Utd. Scientific	318	− 17
Charterhouse Pets.	108	− 9
Durban Deep	£17¼	− ¾
St. Helena	£22¼	− 1¼

*Price at suspension.

WORLDWIDE WEATHER

UK today: Cloudy with sunny intervals, scattered showers in the West.

		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	18	64	Corfu	F	13	55	Luxmbg.	C	−3	27	Peking	S	6	43
Algiers	C	14	57	Dallas	C	−1	30	Madeira	C	18	64	Perth	S	34	93
Amsdm.	C	1	34	Dublin	C	8	46	Madrid	C	7	45	Prague	C	−3	27
Athens	F	12	54	Dbrvnk.	S	10	50	Majorca	R	13	55	Rykjvk.	S	−6	21
Bahrain	S	21	70	Ednbgh.	S	5	41	Malaga	F	14	57	Rhodes	S	16	61
Barclna.	C	13	55	Faro	F	14	57	Malta	F	16	61	Rio J'o		—	—
Beirut	C	15	59	Florence	R	7	45	M'chstr.	C	7	45	Rome	F	15	59
Belfast	C	7	45	Frankft.	C	−4	25	Melbne.	C	18	64	Salzbrg.	F	−4	25
Belgrd.	S	2	36	Geneva	C	1	34	Mx. C.		—	—	S F'cisco†	F	11	52
Berlin	C	−3	27	Gibraltar	F	13	55	Miami†	C	18	64	Singapr.	F	30	86
Biarritz	C	11	52	Glasgow	S	5	41	Milan	Sn	−2	30	S'tiago		—	—
Bmghm.	C	5	41	G'nsey	C	7	45	Montrl.†	C	1	34	Stckhm.	F	−1	30
Blackpl.	F	5	41	Helsinki	C	1	34	Moscow	S	−6	21	Strasbg.	C	−4	25
Bombay	S	30	86	H. Kong	F	20	68	Munich	S	−7	19	Sydney	S	23	73
Bordx.	C	6	43	Innsbrk.	F	6	43	Nairobi		—	—	Tangier	C	14	57
Boulgn.	S	6	43	Invrnss.	C	2	36	Naples	F	14	57	Tel Aviv	S	15	59
Bristol	F	8	46	I.o.Man	C	7	45	Nassau		—	—	Tenerife	F	22	72
Brussels	F	4	39	Istanbul	F	7	45	Nwcstl.	R	6	43	Tokyo	S	10	50
Budpst.	Sn	−2	28	Jersey	R	6	43	N Delhi	S	20	68	T'ronto†	C	−1	30
Cairo	F	17	63	Jo'burg	F	27	81	N York†	F	6	43	Tunis		—	—
Cardiff	C	7	45	L. Plms.	S	23	73	Nice	R	7	45	Valencia	F	13	55
Cape T.	C	16	61	Lisbon	H	9	48	Nicosia	S	17	63	Venice	Sn	−2	28
Chicago		—	—	Locarno	Sn	−1	30	Oporto	F	9	48	Vienna	F	−3	27
Cologne	C	−2	28	London	F	7	45	Oslo	R	0	32	Warsaw	S	−4	25
Cpnhgn.	S	2	36	L. Ang.		—	—	Paris	C	7	45	Zurich	S	−2	28

C—Cloudy. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
† Noon GMT temperatures.

Charterhouse buys Fluor oil and gas interests

BY RICHARD JOHNS

CHARTERHOUSE Petroleum could become the largest UK independent oil company with the conclusion of a $66m (£46.7m) agreement to acquire Fluor's UK, Dutch and Irish oil and gas interests.

Acquisition of the assets, which include a part of Fluor's oil and gas production in Egypt, will be financed by a £38.7m rights issue. This will be on the basis of one new share at 92p for every two shares now held.

The deal follows Charterhouse's successful £37.5m bid for a 1.25 per cent share of British Petroleum's Forties Field. It should yield considerable tax benefits, as well as a greatly diversified production base and expanded exploration opportunities.

Charterhouse revealed in its rights issue prospectus that Mr Peter Walker, the Energy Secretary, had given BP consent to tender for five units of the Forties Field.

Yesterday Charterhouse's share price fell on the Stock Exchange by 9p to 108p by the close of trading. The City, however, regarded the deal as one which should substantially increase the company's cash flow by the end of the decade. There was general confidence that the rights issue would be fully subscribed within the five-week deadline.

The underwriters are Schroder Wagg and the brokers Fielding, Newson-Smith and James Capel.

The assets are held in the name of the St Joe group, a subsidiary of Fluor. The parent engineering corporation, based in California, said it was selling them because it was shifting the emphasis of its oil and gas interests to the U.S. It will, however, keep some production in Argentina, Greece and Egypt.

Completion of the deal will add a 12.71 per cent interest in Buchan field to Charterhouse's new stake in Forties and existing 2.37 per cent share in Thistle. The company's output could thus rise from 2,000 barrels a day to 9,500 b/d.

Charterhouse will also obtain some of the most promising onshore acreage in the south of Britain.

Mr David Roberts, Charterhouse's finance director, said last night: "The Forties purchase was merely a means of producing finance for further exploration and development. We plan to obtain more acreage."

THE LEX COLUMN

Gold card for Smith Bros

N. M. Rothschild has taken its cue from S. G. Warburg in picking a jobber as its admission ticket to the City's new multi-media show. Smith Brothers may not have the broad spread of interest which made Akroyd so appealing to Warburgs but its particular expertise in the market for gold mining shares was clearly seen as a good fit with Rothschild's historic position at the centre of the London bullion market.

Rothschild's accounts are not exactly illuminating but, on the basis of published figures, the £6½m which the bank is paying for 29.9 per cent of Smith would be a disproportionate sum just to secure an option on future developments within the London stock market. The fact that Rothschild plans subsequently to pay £5m for a 49 per cent share in a new international dealing venture with Smith shows that its interest spreads well beyond London.

The new company expects to extend Smith's dealing base in New York and Los Angeles while making the most of Rothschild's international relationships. On the grounds of capital adequacy alone, the venture will have to confine itself to the wholesale markets with which both are familiar.

In the short term, the advantages of the deal are more obvious for Smith. In the brave new world, the inherent volatility of its earnings and a tiny equity base—of around £6m—were bound to make it look vulnerable as an independent company. The Rothschild connection brings not only some extra weight but a name which has considerably more cachet than Smith. Even Smith N. Rothschild doesn't sound too bad.

Both the publicly quoted jobbers are now accounted for, leaving the unlisted companies looking perhaps more exposed than ever. Unlike Smith or Akroyd, they do not even have easy access to public capital and it would be surprising if the momentum already established did not carry some of them into the registry office.

As luck would have it, another Rothschild is presently sitting on 7.9 per cent of Smith. Rumours that it intends to exchange that holding for an interest in NMR are to be discounted.

Index rose 6.5 to 759.3

Charterhouse Petroleum

From a standing start in 1972, Charterhouse Petroleum yesterday jumped into the big league with a deal that leaves it level-pegging with Tricentrol, behind Lasmo. The company has been berated in the past for its apparent reluctance to transform its cash resources into assets, but patience has paid off and the $66m price tag for Fluor's UK, Dutch and Irish oil and gas interests will shake some of the grander stock market notions about valuations in the rest of the oil sector. In combination with its recent £37.5m acquisition of 1¼ per cent of the Forties Field, this deal produces strong justification for the one for two rights issue, to raise £38.7m proposed to finance it.

After the issue, net debt should emerge at around £18m, set against shareholders' funds of about £80m. The Forties cash flow will be offsettable against exploration and appraisal expenditure, while the cash flow from the Fluor production interests will be set against development costs. So, with annualised gross income now moving into the £50m to £60m region, the total tax take is likely to be less than £10m after a spending programme of about £25m a year. On this basis net debt will be shrinking fast, leaving the company strongly placed still to make further expansionist moves.

The benefits of a properly balanced portfolio of oil assets—from exploration acreage through to production—is underlined by the comparison with the loss reported yesterday by Cluff Oil, a company which started life at a similar time and which sold production so that it had no cash to fund development. Charterhouse, by contrast, is now able to pick up assets cheaply because there are few other North Sea companies in the same position. However, this may well prove the low point in terms of asset pricing, since new players are entering the field. Among obvious rival predators will be Enterprise Oil, after it is floated, Trafalgar House and RTZ, both of which declared their hands by buying Forties' interests.

Public borrowing

The few fiscal optimists around the City who were still expecting a PSBR close to £9.5bn for the current year will have been disillusioned by the £1.67bn total for November. Rather than building in a tactical reserve to increase his leverage over the spending Ministers, the Chancellor's £10bn estimate looks no more than appropriately cautious. If even that figure is to be achieved, there will probably have to be at least a neutral fourth quarter with somewhat higher revenue than the trend so far.

So far, the revenue account is being flattered by the inclusion of £1bn that was filed under departmental balances last year, so the 8 per cent growth rate is a little disappointing given this year's higher than target take from the North Sea. And spending as yet seems so impervious to the July cuts—with a growth rate of 9.9 per cent still miles above budget — that the Treasury must be biting its knuckles as it waits for some of the stringency to show through.